

Finance Committee

Meeting Venue:
Committee Room 2 – Senedd

Meeting date:
22 January 2014

Meeting time:
10:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Bethan Davies
Committee Clerk
029 2089 8120
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Agenda

1 Introductions, apologies and substitutions (10:00)

2 Papers to note (10:00 – 10:10) (Pages 1 - 3)

Higher Education Funding: Additional information from Higher Education Wales
(Pages 4 - 6)

Higher Education Funding: Additional information from HEFCW (Page 7)

Higher Education Funding: Additional information (2) from HEFCW (Pages 8 - 10)

3 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: (10:10)

Items 4, 5, 6, 7 & 8

4 Finance Wales (10:10 – 10:55) (Pages 11 - 25)

5 Council Tax Support: Welsh Government Consultation (10:55 – 11:25) (Pages 26 - 59)
FIN(4)-01-14 (paper 1)

6 Draft Wales Bill: Report from Chair (11:25 – 11:35)

7 Enterprise Zones: Media Digest (11:35 – 11:40) (Pages 60 - 66)
FIN(4)-01-14 (paper 2)

8 Forward Work Programme: Update (11:40 – 12:00) (Pages 67 - 69)
FIN(4)-01-14 (paper 3)

Finance Committee

Meeting Venue: Committee Room 2 – Senedd

Meeting date: Wednesday, 11 December 2013

Meeting time: 09:30 – 11:57

This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_300000_11_12_2013&t=0&l=en

Cynulliad
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Concise Minutes:

Assembly Members:

Jocelyn Davies (Chair)
Peter Black
Christine Chapman
Paul Davies
Mike Hedges
Ann Jones
Julie Morgan
Simon Thomas

Witnesses:

Huw Lewis, Minister for Education and Skills
Chris Jones, Welsh Government
Neil Surman, Welsh Government

Committee Staff:

Bethan Davies (Clerk)
Claire Griffiths (Deputy Clerk)
Anne Thomas (Researcher)

TRANSCRIPT

View the [meeting transcript](#).

1 Introductions, apologies and substitutions

1.1 The Chair welcomed Members and members of the public to the meeting.

1.2 The Committee congratulated Peter Black AM on winning AM of the year award.

2 Inquiry into Higher Education Funding: Evidence from the Minister for Education and Skills

2.1 The Committee took evidence from the Minister for Education and Skills on higher education funding.

3 Papers to note

3.1 The papers were noted.

3.1 Higher Education Funding: Additional information from the Open University Wales

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

4.1 The Motion was agreed.

5 Inquiry into Higher Education Funding: Consideration of Evidence Received

5.1 The Committee discussed the evidence received on the inquiry and asked the clerks to obtain additional information on:

- Student loan book
- Number of AAB/ABB students enrolling at Welsh universities
- Write to the Chief Scientific Adviser regarding funding for research

6 Enterprise Zones: Consideration of Committee Report

6.1 The report was considered and a number of amendments were suggested. Members agreed to consider the changes out of Committee.

6.2 Members noted the intention to publish the report before Christmas and agreed to request a plenary debate.

7 Forward Work Programme: Spring 2014

7.1 The forward work programme was considered and noted.



c /o Claire Griffiths, Deputy Clerk
Finance Committee
National Assembly for Wales
Cardiff Bay, CF99 1NA.

10 December 2013

Dear Claire

Higher Education Funding Inquiry – further information

Further to our evidence giving to the the Finance Committee on 27 November 2013, please find the additional information on the following areas as requested.

Data on regional comparisons

The Committee requested data comparing Research Council funding between different regions of the UK. Higher Education Statistics Agency (HESA) data indicates that in 2011/12 universities in Wales had 3.4% (£51.8 million) of BIS Research Council funding (including the Royal Society, the British Academy, and Royal Society of Edinburgh). HESA figures are not yet available for 2012/13. More recent data was published by the Research Councils UK on research funding to HEIs by country at: <http://www.rcuk.ac.uk/about/Aboutrcs/Pages/FundingacrosstheUK.aspx>. The recent figures need to be interpreted with caution, however, as they are not directly comparable to the HESA figures. For discussion of the Research Council income figures in our HE Funding Inquiry submission, see paragraphs 4.3-4.5 and 5.3 in particular.¹

The number of ABB or better students studying higher education

The information on the number of ABB or better students studying in higher education at an individual university level is not available from public sources as initially hoped, and we are therefore mindful of the potential commercial sensitivity of this information for individual institutions. However, we note that the Universities and Colleges Admissions Service (UCAS) reported that students with ABB+ entry qualifications comprised 33% (111,010) of total UK/EU acceptances (334,860) to HEFCE funded institutions in England for courses subject to student number control arrangements in 2013/14.² We would be able to provide further information on tariff point scores at entry for the sector, if this is viewed as helpful, but this is not directly comparable.

¹ <http://www.senedd.assemblywales.org/documents/s21846/FIN4-21-13%20p1.pdf>

² UCAS, Interim assessment of UCAS acceptances by intended entry year, country of institution and qualifications held, Sept 2013, Table 2a. See: <http://www.ucas.com/system/files/ucas-interim-assesement-entry-year-report-2013.pdf>

Number of decline of students studying through the medium of Welsh

We understand that the Higher Education Funding Council for Wales (HEFCW) will be providing this information in their follow-up letter to the Finance Committee.

Data on VFM of students studying in Wales

As highlighted in our submission (paragraph 15.1) Wales already appears to be one of the most successful countries in the world for the recruitment of overseas students. The sector attracted 25,270 students from outside the UK in 2011/12. The UK's market share of international students is second only to the US (9.9%),³ and Wales has a comparatively large share (5.7% in 2011/12) of overseas enrolments in the UK⁴.

According to recent research commissioned by Higher Education Wales (HEW) based on the 2011/12 student data,⁵ international students' off-campus personal expenditure (e.g. spend on rent, food and other living expenses) amounted to an estimated £195 million much of which accrued to the local area. In addition, the sector attracted nearly 39,000 students from outside Wales, who spent an estimated £301 million on living and personal expenses. The expenditure of these students from outside Wales can be regarded as an injection into the Welsh economy.

A detailed analysis of the economic impact of international and EU students has also been prepared by Oxford Economics on behalf of the Wales International Consortium (WIC), HEW and HEFCW.⁶ Based on an analysis of 2009/10 data, this also points to a number of further economic impacts such as an estimated £23 million spent by friends and relatives visiting international/EU students. The report concluded that in total the contribution from Wales' international and EU students was equivalent to 0.5% of the Welsh economy – a larger share than agriculture, and on a par with Cardiff's hotel and restaurant sector, supporting 9,230 jobs in Wales. It also highlighted the continuing importance to the Welsh economy of such students after they complete their study including, for instance, starting and actively working with Welsh businesses, boosting Wales' tourism and raising the profile of Wales and its universities.

³ Universities UK, Higher Education in Focus: Driving Economic Growth - Higher Education a core strategic asset to the UK, 2011. See: <http://www.universitiesuk.ac.uk/highereducation/Documents/2011/DrivingEconomicGrowth.pdf>

⁴ HESA, HE students 2011-12, HEIDI Report 2013.

⁵ Kelly, McNicoll et al., The Economic Impact of Higher Education in Wales, June 2013, commissioned by HEW. See: <http://www.thinkwales.ac.uk/The%20Economic%20Impact%20of%20Higher%20Education%20in%20Wales.pdf>

⁶ Oxford Economics, The Impact of International and EU students in Wales, March 2011. See: <http://www.thinkwales.ac.uk/pdf/2011%20March%20The%20Impact%20of%20International%20and%20EU%20Students%20in%20Wales.pdf>

Universities also play an extremely important role in leveraging additional resource into Wales more generally, currently earning over £400m in much-needed export earnings through overseas revenue and international students coming to study in Wales. With a total turnover of over £1.3bn, universities have an estimated impact of almost £2.6bn on Wales' economy, with this figure reaching £3.6bn once total off-campus spending by students is taken into account. Based purely on patterns of expenditure, for every £100m that is invested in higher education £103m is generated to the Welsh economy (a high 'multiplier effect').⁷

We hope that this further information is of help to your Inquiry.

Yours sincerely

Ben Arnold
Policy Adviser

⁷ Kelly, McNicoll et al., as above.

Agenda Item 2b

Finance Committee (FIN(4)-1-14 (ptn 2)

Higher Education Funding

Additional information received from Higher Education Funding Council for Wales (HEFCW)

The reference in paragraph 24 of the transcript for the meeting held on 27 November 2013, that Wales does not have universities in the top 200 in the world and suggest that you may wish to provide the source for this information, which is the Times World Rankings. Other league tables give a different picture, for example, the QS World University Rankings include Cardiff University at 136. Similarly, whilst Scotland has five universities in the top 200 in the Times World Rankings, they have only 4 in the QS.

In terms of numbers of students studying through the medium of Welsh, the HEFCW information is as follows:

HEFCW Corporate Strategy 2010-2013 measure: 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.

2008/09: 4,586:

2011/12 (confirmed figure): 4,328 (a reduction of 258)

2012/13 (forecast - HEIs only): 4,707

The figure of 258 represents a 5.6% reduction in numbers between 2008/09 and 2011/12 (the penultimate year of the target).

We will be able to provide information about Welsh students studying in England early in the New Year.

Finance Committee (FIN(4)-1-14 (ptn 3))

Higher Education Funding

Additional information received from Higher Education Funding Council for Wales (HEFCW)

Please find attached some information about cross border flows between Wales and England. Below is a summary of the data for full-time undergraduate students.

- In 2012/13, compared to 2011/12, the number of English domiciled full-time and sandwich (FT) undergraduate (UG) new entrants to English higher education institutions (HEIs) dropped by 14%. In contrast, Welsh domiciled new entrants to English HEIs increased by 7% between 2011/12 and 2012/13. This is reflected in the overall number of FT UG students with a 3% drop in the total number of English domiciled students going to English HEIs and an 8% rise in the number of Welsh domiciled new entrants going to English HEIs between 2011/12 and 2012/13. Between 2010/11 and 2012/13, the number of FT UG Welsh domiciled new entrants going to study in England gradually increased so that overall the increase between 2010/11 and 2012/13 was 11%.
- The number of English domiciled FT UG new entrants going to either England or Wales in total has decreased by 12% between 2010/11 and 2012/13. For Welsh domiciled new entrants, the equivalent figure is a 2% rise, due to the increase in the numbers going to England to study. Overall, numbers of English plus Welsh domiciled FT UG students at English and Welsh HEIs are around the same levels in 2012/13 that they were in 2010/11.
- The number of FT UG Welsh domiciled new entrants to Welsh HEIs increased slightly between 2011/12 and 2012/13, by 1%. However, the 2012/13 figure was 3% below the 2010/11 figure. English domiciled new entrants going to Welsh HEIs decreased by 22% between 2011/12 and 2012/13 and by 12% when comparing 2012/13 to 2010/11. For English domiciles, 2011/12 was a peak year for recruitment, with a large dip in recruitment then seen in 2012/13. Recruitment of Welsh domiciles over the three year period was more stable.

Cross border flows of English and Welsh students into England and Wales 2010/11 to 2012/13

Country of domicile	Country of institution	Mode of study	Level of study	New entrant enrolments			Percentage change in new entrants			All student enrolments			Percentage change in all students		
				2010/11	2011/12	2012/13	2010/11 to 2011/12	2011/12 to 2012/13	2010/11 to 2012/13	2010/11	2011/12	2012/13	2010/11 to 2011/12	2011/12 to 2012/13	2010/11 to 2012/13
England	England	Full-time and sandwich	Postgraduate	71,259	71,518	67,329	0%	-6%	-6%	104,597	105,699	100,597	1%	-5%	-4%
			Undergraduate	346,332	353,775	304,903	2%	-14%	-12%	936,272	965,806	936,528	3%	-3%	0%
		Part-time	Postgraduate	99,436	82,719	76,369	-17%	-8%	-23%	198,639	184,131	169,596	-7%	-8%	-15%
	Wales	Full-time and sandwich	Postgraduate	1,437	1,469	1,345	2%	-8%	-6%	2,308	2,197	2,070	-5%	-6%	-10%
			Undergraduate	10,321	11,748	9,109	14%	-22%	-12%	27,709	30,390	30,254	10%	0%	9%
		Part-time	Postgraduate	1,634	1,394	1,256	-15%	-10%	-23%	3,192	2,957	2,750	-7%	-7%	-14%
Wales	England	Full-time and sandwich	Postgraduate	1,186	1,227	1,189	3%	-3%	0%	1,888	1,903	1,801	1%	-5%	-5%
			Undergraduate	6,280	6,518	6,995	4%	7%	11%	16,887	17,959	19,315	6%	8%	14%
		Part-time	Postgraduate	1,435	1,187	1,290	-17%	9%	-10%	3,018	2,745	2,733	-9%	0%	-9%
			Undergraduate	1,623	1,584	871	-2%	-45%	-46%	2,765	2,533	1,759	-8%	-31%	-36%
	Wales	Full-time and sandwich	Postgraduate	3,113	3,091	3,058	-1%	-1%	-2%	4,283	4,320	4,419	1%	2%	3%
			Undergraduate	13,208	12,686	12,811	-4%	1%	-3%	37,302	36,083	34,794	-3%	-4%	-7%
		Part-time	Postgraduate	3,160	2,861	3,277	-9%	15%	4%	7,077	6,699	7,079	-5%	6%	0%
			Undergraduate	18,706	18,859	18,810	1%	0%	1%	28,803	29,176	28,593	1%	-2%	-1%
England	England			744,982	714,294	580,282	-4%	-19%	-22%	1,662,363	1,656,406	1,516,954	0%	-8%	-9%
	Wales			14,482	15,766	12,736	9%	-19%	-12%	35,211	37,703	36,984	7%	-2%	5%
Wales	England			10,524	10,516	10,345	0%	-2%	-2%	24,558	25,140	25,608	2%	2%	4%
	Wales			38,187	37,497	37,956	-2%	1%	-1%	77,465	76,278	74,885	-2%	-2%	-3%
Total				808,175	778,073	641,319	-4%	-18%	-21%	1,799,597	1,795,527	1,654,431	0%	-8%	-8%

Source: HESA student record

Note: The OU has been split into the OU in England and the OU in Wales

Cross border flows of English and Welsh full-time and sandwich undergraduate students into England and Wales 2010/11 to 2012/13

Country of domicile	Country of institution	New entrant enrolments			Percentage change in new entrants			All student enrolments			Percentage change in all students		
		2010/11	2011/12	2012/13	2010/11 to 2011/12	2011/12 to 2012/13	2010/11 to 2012/13	2010/11	2011/12	2012/13	2010/11 to 2011/12	2011/12 to 2012/13	2010/11 to 2012/13
England	England	346,332	353,775	304,903	2%	-14%	-12%	936,272	965,806	936,528	3%	-3%	0%
	Wales	10,321	11,748	9,109	14%	-22%	-12%	27,709	30,390	30,254	10%	0%	9%
Total English domiciles		356,653	365,523	314,012	2%	-14%	-12%	963,981	996,196	966,782	3%	-3%	0%
Wales	England	6,280	6,518	6,995	4%	7%	11%	16,887	17,959	19,315	6%	8%	14%
	Wales	13,208	12,686	12,811	-4%	1%	-3%	37,302	36,083	34,794	-3%	-4%	-7%
Total Welsh domiciles		19,488	19,204	19,806	-1%	3%	2%	54,189	54,042	54,109	0%	0%	0%
Total		376,141	384,727	333,818	2%	-13%	-11%	1,018,170	1,050,238	1,020,891	3%	-3%	0%

Source: HESA student record

Note: The OU has been split into the OU in England and the OU in Wales

By virtue of paragraph(s) ix of Standing Order 17.42

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Agenda Item 5

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