

# Education, Lifelong Learning and Skills Committee

## ELLS(2) 14-06(p1) Annex 1

**Date: 9 Novemeber 2006**

**Time: 9:00am-12:30pm**

**Venue: Committee Room 3, the Senedd, National Assembly for Wales**

**HE Funding Differential: Paper by the Higher Education Funding Council for Wales**

### Introduction

I am providing Members with a copy of a report prepared for me by the Higher Education Funding Council for Wales on HE funding issues. This updates the earlier analysis undertaken by HEFCW to compare funding in Wales and in other parts of the UK. Members will recall that the First Minister made a commitment to further analysis of this question in the context of our response to the Rees Report and that the Finance Minister promised that we would make this paper available during the 24 October budget debate. In that debate, the Finance Minister made clear that achieving a successful Welsh higher education sector that meets the needs of Wales was a priority.

HEFCW's further work highlights again the extreme complexities surrounding this issue. It also confirms that there are a number of ways in which this comparison can be made.

### HEFCW's analysis suggests that:

- the assessment of any funding gap between Wales and England is dependent on the method used to measure that gap
- comparisons based on grant in aid funding per full-time equivalent student for England and Wales in their entirety suggest a funding gap of between ?32 million and ?41 million depending on the method used.
- spending in the English regions varies significantly from one region to another. The mix of institutions in those regions also varies. The region with the closest match to Wales was Yorkshire and Humberside
- comparing Wales with England excluding London suggested a funding gap of ?25.2 million
- comparisons of spending on HE per head of population suggest that Wales is spending pro rata ?8 million more than England.

Since these figures relate to 2004/05, they do not reflect any differential impact between England and Wales following the introduction of higher rate tuition fees. Neither was HEFCW's analysis able to take into account the additional funds allocated to higher education in the latter stages of last year's

budget round, when ?2 million in revenue for 2006-07, and ?3 million capital support for each of the three years of the budget period were made available. These additions were followed by the announcement in July of a further one-off capital allocation of ?1 million. The Committee will also wish to be aware that I intend that the final Assembly budget should also include further financial details of the Government's response to the Graham Review on part time students.