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Research Policy Analysis  
Ymchwil Polisi Dadansoddi



## **Delivery of Focus Groups: Review of Higher Education Funding and Student Finance Arrangements in Wales**

### **Summary Report**

May 2015  
Old Bell 3 Ltd.

[www.oldbell3.co.uk](http://www.oldbell3.co.uk)

**Delivery of Focus Groups to support the Review of Higher Education Funding  
and Student Finance Arrangements in Wales**

**SUMMARY REPORT TO THE REVIEW PANEL**

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# **1 INTRODUCTION**

## **1.1 Introduction**

Old Bell 3 Ltd was commissioned by the Welsh Government to provide support to an independent Review Panel led by Professor Diamond tasked with undertaking a major review of Higher Education (HE) funding and student finance arrangements in Wales. This review, commissioned by the Education Minister, is expected to report in 2016 and will provide a strong evidence base for any future developments across Higher Education funding in Wales.

The aim of this work was to inform and strengthen the evidence base for the Review of Higher Education Funding and Student Finance Arrangements in Wales by capturing, through the organisation and facilitation of focus group activity, the views and opinions of identified key stakeholders on matters relating to the Review. More specifically, the work involved arranging and facilitating focus group discussions during early 2015 with five target stakeholder groups. This included liaising with intermediary organisations to identify potential contributors for each focus group, undertaking focus group recruitment and facilitation as well as reporting upon the findings of the views conveyed during discussions.

## **1.2 Method and Work Programme**

The work programme underpinning this Summary Report has involved the following elements:

- An inception phase which included attending an initial inception meeting with Professor Diamond and Welsh Government officials to discuss the methodology for undertaking the research and scope out potential ideas for focus group discussion themes and potential stakeholder contributors leading to the preparation of a revised work programme;
- A scoping phase which involved approaching a number of intermediary and representative organisations such as the National Students Union (NUS) Wales, Universities Wales, the Federation of Small Businesses (FSB), the Student Services

Organisation (AMOSSHE) and the National Association of Student Money Advisers (NASMA) to make the necessary arrangements for research focus groups;

- A desk based phase which included a review of key documents and the development of focus group research instruments;
- Arranging and facilitating focus group discussions between January and March 2015 with the following five stakeholder groups:
  - Employer organisations: In all a total of 21 employer representatives attended two focus groups with one focused on capturing the views of large private and public sector employers and the other involving representatives of the Federation of Small Businesses;
  - Higher Education students/student representatives: 25 representatives (Higher Education students or NUS Sabbatical officers) contributed to three focus groups held at the NUS Wales conference and one Further Education (FE) institution;
  - Prospective Higher Education students: a total of 39 students from school sixth forms and FE institutions contributed to focus groups facilitated at five establishments and at the NUS Wales conference;
  - Student Support Representatives: a group of 14 representatives from nine Higher Education institutions took part in one focus group;
  - Widening Access Representatives: a group of 10 representatives from a range of institutions and representative bodies attended one focus group.
- Preparing individual papers presenting the views of each of the five stakeholder groups to be considered by the Diamond Review Panel as part of its Review of Higher Education Funding and Student Finance Arrangements in Wales.

### **1.3 Purpose and Structure of the Report**

This report presents feedback from the focus groups held with the five stakeholder groups in early 2015. The report aims to summarise the key messages and common findings from the research undertaken. We first (in Section 2) consider the views presented on the current HE funding and student finance arrangements before reporting on the views about future arrangements (in Section 3).

## **2 CURRENT HE FUNDING AND FINANCE ARRANGEMENTS**

### **2.1 Introduction**

In this section we consider the:

- Key considerations and motivation for students to engage in HE (Section 2.2)
- Views on the current tuition fees policy set by the Welsh Government (Section 2.3);
- Views on the current maintenance support available to Welsh domiciled students (Section 2.4);
- Extent to which the current student finance and HE funding meets the needs of employers, prospective and existing HE students (Section 2.5);
- Strengths and weaknesses of the current student financial support arrangements, including from the perspective of widening access objectives (Section 2.6);
- Views on the availability and quality of non-financial student support available to Welsh domiciled students studying in Wales (Section 2.7);
- Effectiveness of student support for those from disadvantaged backgrounds and the extent to which widening access is being addressed (Section 2.8);
- Extent to which HE was thought to meet the needs of different students (Section 2.9)
- Extent to which HE was thought to meet the needs of employers (Section 2.10)
- Views on HE Welsh medium provision (Section 2.11).

### **2.2 Key considerations and motivation for students to engage in HE**

Feedback from prospective HE students revealed that the key factor affecting their decisions to progress into HE related to a common assumption that a degree is necessary in order to secure well-paid employment and to ensure a successful career in the future. Whilst both prospective and current HE students had given some consideration to the cost of higher education, it appeared that these considerations had little impact upon their decisions to enrol at university. Rather, other factors were deemed to be more important with a particular emphasis given by prospective students to the likelihood that they would enjoy themselves at university. Possibly the only exception was for a small number of prospective HE students who were financially restricted in the sense that they could only afford to study at HE if they were living at home or could not afford to sustain themselves at particular settings, such as London.

In terms of the key factors influencing their choice of institution and courses to study, prospective students were mostly influenced by their predicted A level grades (which would limit some in their choice of potential institutions) and whether the institution would offer them an enjoyable experience as measured by its location, its ambiance and amenities. A few prospective and current HE students cited being able to study nearer home as a key consideration in their choice of HE institution whilst others placed greater emphasis upon the availability and nature of courses and the reputation of the university itself.

A key point raised by student support representatives (and some employers) was that a minority of young people were inappropriately being encouraged or pressured to go to university when it was not always the best option for them in the long term. Indeed these stakeholders suggested that prospective students ought to be encouraged to make better and more informed decisions about HE study particularly given the wealth of information and data that was currently available to them.

### **2.3 Views on the current tuition fees policy set by the Welsh Government**

Current HE students conveyed mixed views about whether the level of tuition fees acted as a disincentive to young people considering entering HE: several contributors argued that the sums involved were so large that potential students had become inured to it. Indeed the fact that it was not a critical consideration for most prospective HE students would seem to support this claim and prospective HE students seemed to take it for granted that they would either earn enough as a result of gaining a degree to be able to pay their debt off relatively easily or, that they would never have to worry about paying back their debt if they did not earn enough. Similarly, HE students alike did not seem themselves as averse to running up debt which would only be repaid in the long-term once earnings thresholds were exceeded. Generally neither current nor prospective HE students were overly concerned about the wider long-term consequences of accruing debt to fund their studies – although student support representatives in particular worried that they ought to be, given that the potential consequences of such debt on longer term prospects (e.g. borrowing for mortgages) was not yet clear. Employers, who generally did not have such a detailed insight into the tuition fees policy, generally thought that the current policy did not seem to be hindering any individuals from enrolling at HE when considering that there was currently an over-supply of graduates within the workforce.

Neither current nor prospective HE students thought that the full £9,000 tuition fees represented reasonable value for money, with some of the more informed current students noting that the idea of a market in HE with institutions offering varying fees had not been realised. Yet, there was a widespread perception amongst these two stakeholder groups that participating in higher education would lead to better paid jobs in the future. It would appear that few prospective HE students had actually given serious consideration to the balance between the costs incurred in attending HE and any premium they would be likely to earn as a result of gaining a degree qualification.

Most current and prospective HE students viewed the Tuition Fee Grant in a positive light in that it was considered a key mechanism for reducing their future debts, though some felt that in principle, HE should be free as of right to all students. Despite this, a few current and prospective HE students did question whether the Tuition Fee Grant ought to be universally available to all students regardless of students' or their families' incomes and suggested that it might be appropriate to introduce some element of means testing in the future should it continue to be made available. Somewhat more mixed views were conveyed about the Tuition Fee Grant by student support representatives - indeed some questioned its appropriateness given that it was generating ill-feeling amongst English domiciled students at Welsh HEIs.

#### **2.4 Views on the current maintenance support available to Welsh domiciled students**

There was general agreement amongst current HE students, student support representatives and widening access representatives that what was generally seen as the inadequate level of funding available for to support the maintenance costs incurred by students was a much bigger issue for students than the level of tuition fees and tuition fee support. Indeed from the perspective of widening access to HE it was thought that the availability of financial support during the students' time whilst at University to help with day to day costs was a more important factor in attracting these students to study than the availability of financial support to help towards alleviating future debt stemming from tuition fees. As was the case with Tuition Fee Grant, employers were generally not able to comment on the appropriateness of the maintenance support available – other than where they drew upon the personal experiences of family members.

There was a strong view from almost all current HE students as well as student support representatives that the maximum level of maintenance loan currently available, particularly

for those from middle-income household, was too low. Several instances were cited where student accommodation costs alone absorbed the entire value of the loan available. There was a general view across all stakeholder groups that students could not survive financially without either working on a part-time basis or being financially supported by their parents despite being entitled to the maximum level of maintenance loan: with many contributors noting that many parents who, on paper at least, could afford to provide financial support to their children while at university did not choose to do so. Prospective students in particular were concerned about the pressure HE study would place upon the financial circumstances of their parents, especially as they would not qualify for the maximum maintenance support available.

A general view conveyed across a number of the stakeholder groups was that the current means-testing approach adopted for awarding maintenance grants and loans was inappropriate, largely as it failed to accommodate any individual circumstances: many participants were clearly uncomfortable with the fact that parental income was allowed to play such a big role in the system, when the main organising principle was around former students repaying debt as and when they earned enough to do so. A common view to emerge via the research related to the fact that the current package of maintenance support was based upon a 'one size fits all' model and did not have the flexibility to take individual circumstances into consideration. Of particular concern to some HE students was that it failed to consider individual circumstances such as other dependent children. Furthermore it was widely suggested by current HE students that being expected to rely on their parents to provide additional maintenance payments to bridge their financial requirement was unfair. Prospective HE students agreed with this view and frequently argued that the current student finance model did not take into account parental financial commitments such as having other children to support as well. Student support representatives thought that the current means-testing approach, whilst well-intentioned, was not equitable in terms of meeting individual student needs. It was also stressed by this stakeholder group that parents did not always appreciate how much of a financial contribution they would be expected to make – and that, if the current system was maintained, Government should be more explicit about this.

It was also suggested, by student support and widening access representatives in particular, that particular students (mostly from widening access backgrounds) were not benefiting from additional extra-curricular provision made available at HEIs due to the necessity of having to undertake paid work to financially support their HE education, in light of the fact that

maintenance support was inadequate. Widening access representatives were keen to emphasise that a fair proportion of these students would not be able to survive financially otherwise. It therefore followed that it was this group who were thought to frequently miss out on additional extra-curricular HE support and activities (and in some cases, to have insufficient time to devote to their studies).

## **2.5 Extent to which the current student finance and HE funding currently meets the needs of employers, prospective and existing HE students**

A common theme discussed across a number of stakeholder focus groups (current and prospective HE students as well as student support representatives and employers) was in relation to poor standards of financial literacy. Whilst it was commonly agreed that better money management was not a solution to the problem of inadequate maintenance support, the lack of these skills were thought to make things worse.

Whilst it was suggested that it was possibly too late in the day to address these weaknesses at university, in that the issue needed to be better addressed within the school curriculum, it was suggested by student support representatives that engaging in money management training could be made a condition of student financial support. It was also suggested by most stakeholder groups that a move towards monthly payments of maintenance support would be welcomed by students and support staff alike and would encourage better money management.

Most, though by no means all, prospective HE students had a rough idea of the financial support they would be entitled to from the Welsh Government if they were to take up a HE study place. However the feedback from both current and prospective HE students revealed that there was much confusion about the specific student finance model which was in place – particularly in terms of the tapering relationship which exists whereby individuals who qualify for lower levels of Welsh Government Learning Grant are able to apply for larger loans. Student support representatives strongly suggested that students were not aware of the level of financial commitment they were taking on.

Despite the prevailing view that the maintenance grant and loan package was inadequate to cover students' living costs, prospective HE students had no desire to see grant funding being shifted from fees to maintenance costs. Current HE students however were more open

to this idea having had first-hand experience of the difficulties in making two ends meet whilst studying.

More mixed views were conveyed about the effectiveness of current HEI financial bursaries – widening access representatives in particular did not think that these worked particularly well and it was suggested that the funds could be better targeted in the future according to student need rather than educational performance or household incomes, or, indeed, as an incentive to attract particularly talented individuals to enrol.

## **2.6 Views on the availability and quality of non-financial student support<sup>1</sup> available to Welsh domiciled students studying in Wales**

Both student support staff and widening access representatives argued that non-financial support had come under increasing pressure of late both in terms of the number of students requiring support and the level of intensity of support being accessed. This was thought to have taken place because of two factors – the introduction of tuition fees had resulted in students increasingly behaving as consumers, thus becoming more demanding in their requirements for non-financial support, and the fact that widening access policies had resulted in HEIs being required to provide support to a more diverse and demanding student population.

It was widely thought by most stakeholder groups that the availability and quality of non-financial student support varied from one HE institution to another. As a result it was perhaps unsurprising that current HE students expressed mixed views about the quality of non-financial student support available at their HE institution, but despite this they too held a common perception that these services had come under severe pressure of late. In terms of the type of support which was thought to be most crucial, current HE students regarded the need to access student debt advice and the student hardship funds as important provisions. By comparison prospective HE students had given this area very little thought but nonetheless expected that they would require emotional support during their first few weeks at university as well as general money management support.

Another theme raised by employers in particular and several student support representatives (but only one current HE student) was around the need for non-financial student support to

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<sup>1</sup> Non-financial student support could include advice and guidance on debt, money, childcare, benefits and housing; counselling, health, and wellbeing support as well as support for students with specific learning difficulties, disabilities, medical conditions and mental health difficulties.

focus more on developing the employability skills of students. Indeed it was suggested that graduates required a set of portable skills suitable for any employer and that HEIs needed to give greater consideration to the development of these skills whilst studying.

## **2.7 Effectiveness of student support for those from disadvantaged backgrounds and the extent to which widening access is being addressed**

One key message to emerge from the widening access stakeholder group was a view that the new HE funding model and the introduction of tuition fees had not led to any reduction in the number of students from disadvantaged backgrounds applying to or studying in HE. Rather, it was thought that the availability and extent of financial maintenance support was a much more important consideration in the decision of such individuals to enrol and continue in HE. A key point made by widening access representatives related to the fact that financial resources available for HEIs to support widening access students had been reduced as a result of HE funding being directed through the tuition fee grant. Furthermore, this stakeholder group did not think that HEIs bursaries were working particularly well in terms of supporting those students who were at most financial disadvantage.

Student support staff took the view that the current financial support model was heavily geared towards supporting students from disadvantaged backgrounds, notably those from low income families, and that the level of financial support available for this group was fairly generous at present. In contrast, student support representatives thought that students from middle income families were inadequately supported and that cuts to the Financial Contingency Fund (FCF) hardship fund was making it even more difficult to offer any discretionary support to this group of students.

Some current HE students thought that students from disadvantaged backgrounds were able to benefit from the maximum level of financial support available and were thus supported reasonably well. In the same manner prospective HE students (although struggling to comment on this area of questioning) thought that the means tested and tapering grant and loan schemes in place ought to make higher education accessible to all in principle.

## **2.8 Extent to which HE was thought to meet the needs of different students**

It was commonly accepted by all stakeholder groups who contributed to the research that the current HE funding model was highly geared towards supporting full-time undergraduates. For instance employers thought that the model was particularly weighted

towards supporting young people in full-time study. Likewise widening access representatives thought that there had been a redistribution of financial support away from postgraduate to undergraduate provision of late (as a result of an increasing proportion of the overall HE budget being taken up by the Tuition Fee Grant) and likewise that there had been a greater emphasis upon full-time study at the expense of part-time study support.

It was generally thought by all stakeholder groups that mature students were not well-catered for by the current model of student finance. Of particular concern to current HE students was the lack of support that was in place for single parents with childcare responsibilities. Two other key groups discussed during the research who were not thought to be particularly well supported were care leavers and students following the apprenticeship route as a way of securing a HE qualification.

Financial support for postgraduate provision was also considered to be lacking in the view of most stakeholder groups – student support representatives were particularly vocal about the lack of financial support in place for this group of students and suggested that Wales needed to replicate the offer recently introduced across England for funding to support postgraduate students.

Employers and widening access representatives were both equally critical of what they saw as HEIs' very traditional approach to the delivery of part time provision in that it was still generally made available only on campus, away from the workplace and without consideration of how this would fit with working hours: this was seen as a major obstacle for mature students in particular to engage with study. Despite this, positive examples were cited by employers of effective collaborations whereby institutions had been able to meet the specific training needs of employers. More generally in terms of postgraduate provision it was thought that the knowledge and skills required to obtain a qualification could be drawn to a greater extent from workplace experience. Likewise student support representatives took the view that the availability of part-time provision was largely determined by institutions strong focus on full-time undergraduates and structural issues related to this (e.g. the unwillingness of staff to teach in the evenings and weekends) and they, together with widening access representatives, were keen to stress that there were no financial incentives in place for institutions to make changes to their existing part-time provision.

The package of support for part-time students was thought to be fairly unattractive for more mature students who had existing financial and family commitments – as already highlighted

it was considered by both existing students and student support representatives that there was significant inequality within the funding model in that it did not distinguish between the financial commitments of young students and more mature ones with greater financial commitments. However a key strength of the existing part-time provision was commonly thought to be the lower fees charged by Welsh universities for part-time courses when compared to English institutions.

## **2.9 Extent to which HE was thought to meet the needs of employers**

Employers held very mixed views about the quality of graduates being produced by Welsh HEIs – larger employers were more likely to cite positive experiences of employing graduates whereas SMEs were more likely to state a preference for recruiting apprentices rather than graduates. The main criticism voiced by those dissatisfied with the current cohort of graduates being produced related to their lack of practical and specific employability skills as well as the fact that graduates often failed to apply their knowledge within the workplace. It was also suggested that apprentices tended to stay for longer with employers and did not have unrealistic expectations of the job and salaries they could expect to command as was thought to be the case with graduates. Student support representatives were very mindful of these issues faced by employers and would welcome a greater focus upon developing the employability skills and work experience obtained by graduates so as to better meet the needs of employing organisations.

Another key message raised in the main by larger employers related to the difficulties they had experienced in trying to engage with universities in order to try and influence course content (so that it would be better tailored to meet the skills and knowledge which employers required) as well as to be able to access and target final year students with potential work opportunities.

One area of concern to a number of employers, as well as few student support representatives, related to a perception that there was an over-supply of graduates being produced within the economy and that as a result the value of a degree qualification had eroded over time. This was of concern to several employers in terms of assessing the value for money that was being obtained from HE in Wales given that they were in many cases employing graduates in non-graduate jobs. Student support representatives as well as current HE students acknowledged this view and thought that the higher number of

graduates opting to study at postgraduate level was one indicator of the eroding value of a first degree qualification.

In terms of meeting the needs of employers to develop the skills of their existing workforce, employers reported upon a difference in approach from one institution to another with traditional 'old polytechnics' thought to be better linked to industry than 'the more traditional ones'. Having said this, employers were acutely aware that the lack of critical mass in terms of student numbers across Welsh HEIs as well as competition between institutions were hindrances that prevented them from developing more specialist provision so as to better meet the needs of employers.

## **2.10 Views on HE Welsh medium provision**

It was generally considered a disadvantage by stakeholder groups that the previously ring-fenced funding for Welsh medium provision had been removed – largely because the number of students who could and would chose to study through the medium of Welsh would always be limited and therefore uneconomical for institutions to cater for unless a financial incentive be made available. Another pressing point to emerge from the research related to the fact that Welsh medium provision was thought to be subjected to short-term funding cycles which hindered its development and availability.

Prospective HE students who were currently studying at A Level/Level 3 through the medium of Welsh seemed to have at least some awareness of the additional financial support on offer to incentivise the take up of Welsh medium HE. Generally it was thought that more could be done to promote support such as the Coleg Cymraeg Cenedlaethol's incentive scholarship to study through the medium of Welsh.

## **3 FUTURE HE FUNDING AND FINANCE ARRANGEMENTS**

### **3.1 Introduction**

In this section we consider the:

- Views of what a top-class HE system in Wales should look like in the future and its key priorities (Section 3.2);
- View on what HE student finance and student support should look like in the future, particularly in order to achieve widening access objectives (Section 3.3);
- Views on a sustainable future funding model of HE in Wales model which would provide value for money (Section 3.4);
- Views on the provision of financial support for Welsh domiciled students to study both in Wales and elsewhere in the UK (Section 3.5).

Before outlining the views conveyed during the focus groups it is worth noting a key point. Whilst contributors to all focus groups were clear and in reasonable agreement about the current difficulties and issues facing HE funding and student finance in looking to the future there was much less clarity about the changes which various stakeholder groups would like to see and even fewer common solutions suggested by the five stakeholder groups.

### **3.2 A top-class HE system in Wales and it's key priorities**

Many of the stakeholder groups struggled to adequately address a question posed on what a top-class HE system in Wales ought to look like in the future: this was particularly true of prospective students. Rather each stakeholder group tended to concentrate on the key areas which were deemed important from their perspective – for instance current students called on HEIs to ensure that current provision was better attuned to meet the needs of the local labour market to ensure that they were better placed to secure graduate jobs whilst employers stressed the need for HE provision to address the current over-supply of graduates and focus on producing graduates who had greater technical and practical skills. Student support and widening access representatives alike stressed the importance of a continued focus on ensuring access to HE for all, regardless of their financial circumstances or disadvantage.

Current students and student support representatives alike stated a preference for greater financial support to be geared towards part-time and postgraduate studies in the future. Student support representatives in particular argued that there was a need for some re-balancing of the current funding system away from full-time undergraduate provision in favour of postgraduate and part-time provision in the future. Current students also stressed the importance of offering a seamless system across all post-compulsory education to ensure that those from vulnerable backgrounds studying at FEIs could make the transition into HE.

Employers in particular thought that there was a need for greater transparency in terms of how HE funding would be utilised by institutions in the future – particularly given that course fees at £9,000 per year at present seemed very high. Employers were also keen to stress the need for part-time provision to evolve so as to move away from campus based teaching to innovative and workplace based learning. They also stressed the importance of HE courses becoming more focused on addressing the specific skills needs of employers in the future.

### **3.3 View on what Higher Education student finance and student support should look like in the future, particularly to achieve widening access objectives**

Some participants amongst both current and prospective students challenged whether HE ought to be made available free of charge to students and called for tuition fees to be abolished altogether and replaced with a model of direct funding of HEIs by the Welsh Government. Furthermore these students thought that the level of tuition fees charged by HEIs (and paid by English students) were unreasonably high – both from an ethical standpoint as well as a value for money standpoint for the individual student. Some participants in these and other stakeholder groups suggested that the new capital projects being undertaken by Welsh HEIs and the salaries paid to senior staff did not really fit with the picture of cash-strapped institutions. Other than this, prospective and current students were fairly unsighted about how the HE funding model worked.

Both current and prospective students were mainly inclined to defend the availability of the Tuition Fee Grant in the future although current students gave the impression that they would not be adverse to a shift in emphasis from tuition to maintenance support. In contrast

perhaps prospective students were generally against any suggestion that the balance of grant funding should be shifted away from fees towards maintenance grants.

Very few current and prospective students defended the current means-testing approach adopted for the awarding of maintenance support on the basis of parental income, with the majority favouring a more level playing field based on the circumstances of the student themselves. Many current students felt that if the level of fees charged was maintained, HEIs needed to ensure that fewer additional costs (such as materials and books) were also charged for. It was also suggested that HEIs needed to examine the current tendency of accommodation providers to use the maintenance fee loan limit as a benchmark for what they charged for rent.

Current students said they would also welcome a simpler model of student funding which could be better communicated to prospective students. There was a general desire amongst both current and prospective students to see a more flexible approach being adopted in the way that financial support was being awarded (which took factors such as dependents and parental financial commitments into consideration) and also an increase on the upper maintenance loan limits which could be borrowed.

It was commonly accepted that the availability of HEI bursaries needed to be reviewed – with students welcoming a model which would be more in tune with meeting the financial needs of students as opposed to being an aid to recruitment or for rewarding excellence. Aligned to this a critical message conveyed by student support representatives was a view that the existing Welsh Government policy to increase the number of HE students from disadvantaged backgrounds over the last few years had been extremely successful but that a future priority ought to be upon improving the retention of this group across HE.

### **3.4 Views on a sustainable future funding of Higher Education in Wales model which would provide value for money**

All stakeholder groups expressed concerns about the sustainability of the current funding model in the future.

One area of concern to most stakeholder groups was the forecast high rate of non-repayment of student loans, and whether this cast doubt over the sustainability of the model in the future. Employers in particular believed that the high default rate presented strong

evidence to suggest that the current funding model was not working effectively. As a result some from this stakeholder group suggested whether greater consideration ought to be given when awarding student financial support to whether the higher educational courses studied were likely to lead to real jobs within the local economy.

Student support and widening access representatives alike also raised significant questions around the sustainability of the current funding model. Student support representatives questioned the sustainability of the current Tuition Fee Grant – some stated a preference to see it removed altogether, others thought that the level of grant ought to be reduced whilst the remaining representatives thought it ought to be provided on a means-tested basis. Widening access representatives were equally concerned that the current funding model was not sustainable in the future and that the Tuition Fee Grant was cited as the main source of the pressure. Indeed this stakeholder group called for fundamental overhaul of the current funding model and recommended that direct financial incentives be provided by the Welsh Government to fund non self-sustaining provision which was required to be delivered by HEIs, given that institutions were operating within an increasingly competitive environment.

One other critical point raised, primarily by widening access and student support representatives, related to the fact that at an institutional level the sustainability of the current funding regime varied with some institutions who had a large proportion of non-Welsh domiciled student intake more likely to take the view that the current funding model was sustainable.

In terms of providing value for money, employers were very concerned that the current HE funding model did not appear to provide value for money given that there was an over-supply of graduates competing for non-graduate jobs within the economy. Mixed views were conveyed across several of the stakeholder groups as to whether financial support ought to be better aligned and targeted towards those subject areas where there was either a skills shortage or a strong economic need.

### **3.5 Views on the provision of financial support for Welsh domiciled students to study both in Wales and elsewhere in the UK**

The majority of contributors to the focus groups thought that financial support, and the Tuition Fee Grant in particular should it remain, should not be restricted to Welsh domiciled

students studying in Wales only. The overwhelming majority of prospective students, most current students, nearly all employers and the majority of student support representatives did not think that it ought to be restricted in this way. Employers were particularly vocal in their resistance to such a potential policy change arguing that it was important to support Welsh domiciled students to study elsewhere to ensure that they broadened their horizons and built confidence. Likewise student support representatives believed it was undesirable to cap the ambition of Welsh students who wished to study at top English universities. Widening access representatives conveyed a more mixed view on this matter – it was recognised on the one hand that Welsh Government funding was being lost to institutions outside Wales yet on the other hand that Welsh institutions were overall a net importer of HE students and that the number of students coming to study in Wales from outside was increasing.

A minority of prospective and current students as well as student support representatives thought that a financial system which rewarded Welsh-domiciled students who either stayed, or returned to, Wales to work after graduation should be considered – for instance it was suggested that a two tiered funding model could be explored which offered a small difference between the tuition fee support available in Welsh and English institutions or one which wrote off a higher proportion of the tuition fee debt for Welsh domiciled students who found work in Wales after graduation. Some allowance, it was added, ought to be made for particular circumstances such as where a HE course was not available in Wales.

Prospective students were concerned that any changes to the current student funding policy might place greater pressure on the number of graduate places available across Welsh universities. This group were keen to stress that should such a change be introduced then the Welsh Government and individual HEIs would need to allow for an increase in their graduate in-take to take account of increased demand amongst prospective students. Indeed some prospective students admitted that confining financial support to students studying at Welsh universities would make them reconsider their original decision to study at a non-Welsh institution and opt for a Welsh one, although some claimed that they would re-think the possibility of HE study altogether.