

Postgraduate Consultation
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Dear Sir/Madam

BIS Consultation on support for postgraduate study

Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK (UUK). Universities Wales' Governing Council consists of the Vice-Chancellors of all the universities in Wales and the Director of the Open University in Wales. For our general comments in relation to the Department for Business Innovation and Skills (BIS)'s consultation we refer to the UUK response. Although the BIS proposals relate to arrangements for England, however, they are likely to impact indirectly on Wales in a number of ways which require consideration in the context of a devolved administration:

1. Funding decisions have an impact on the Welsh Budget, passing on pro-rata increase (or reduction) in budget to Wales through the Barnett formula. In the case of student loans, we would expect this to be reflected in an increase in 'annually managed expenditure'. This will provide scope for the Welsh Government to adopt a similar scheme in Wales, subject to Treasury approval, but the funding could not be used for other matters.
2. Seen from an economic perspective, the markets for higher education in Wales and England are not separate. There is a high cross-border flow of students (and staff) between Wales and England in particular. The relative size of the countries means that policy changes in England can have a major impact on Wales. The potential impact of Welsh policy for England is much smaller by comparison.

The BIS consultation, in particular, raises a question about the 'portability' of student support for students who would like to study outside England in other parts of the UK, which requires additional comment. The current proposal is to restrict institutional eligibility to institutions fundable by the Higher Education Funding Council for England (HEFCE) and alternative providers who have obtained degree awarding powers. This appears to mean that English students would not be able to access this loan support if choosing to study at a university in Wales or in other UK countries.

In our view the lack of 'portability' in the loan arrangements would not be in the interests of postgraduate students or universities on either side of the border for a number of reasons:

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Firstly, it will lead to reduced opportunity for students. On latest figures, around 2,975 students from England study for higher degrees (taught) at institutions in Wales. This is almost as many as the number of English students who study taught higher degrees in Scotland. Postgraduate provision tends to be specialist by nature, and the viability of many subjects at universities throughout the UK depends on national (and international) catchment. Wales makes a distinct and particular contribution to the UK's rich and diverse postgraduate portfolio of subjects in a number of areas. In 2013/14, for instance, Wales had a comparatively high share of the UK's postgraduate provision (based on full-time equivalents by area of subject module) in areas such as business and administrative studies (8.4%), computer science (7.5%), medicine and dentistry (7.2%) and mass communications and documentation (6.5%).

The diverse postgraduate portfolio of subjects in Wales include Masters courses that are delivered in conjunction with industry and are unique in design and content. This provision has a key economic benefit right across the UK as it helps to address the high skills needs of industry and is often at the forefront of development. Examples of unique Masters provision in Wales include:

- The technology and applications of the MSc Non Destructive Testing (NDT) course encompasses major fields of application including the aerospace industry, oil, gas and energy generation, chemical industries, space technology, rail transport, shipping and manufacturing. The development of new NDT techniques is crucial to meet the changing needs of nano-technologies.
- The MSc in Medical Research and Innovation is designed to provide life science and healthcare graduates with advanced knowledge, understanding and skills allowing them to contribute to the rapidly evolving fields of diagnostics, therapeutics, medical device development and the management of clinical innovation.
- The MSc in Neonatal Medicine has been designed to meet the demand for advanced education in hospital-based neonatal medicine and acute paediatrics, particularly where this is clearly distinct from a 'generic' MSc in Child Health.
- The driver for development of an MSc Forestry and Tropical Forestry was the global demand for courses that could train qualified foresters to address contemporary environmental, social and economic factors related to the destruction and degradation of our forest resources.

We believe that proposals as they stand would restrict the flow of students and limit student choice and opportunity and could suppress growth and quality across the UK.

The cost of supporting postgraduate students to study in other parts of the UK is small in terms of the loan budget, and could prevent significant loss of fee income for institutions on both sides of the border. Under the Barnett formula we would expect a pro-rata increase to budget for Wales to accompany the introduction of the BIS postgraduate scheme. As this relates to student loans, we would expect this to be reflected in an increase in 'annually managed expenditure'. This will provide scope for the Welsh Government to adopt a similar scheme in Wales, subject to Treasury approval, but the funding could not be used for other matters.

If Wales adopts a similar scheme without portability of student support this would exclude student support for around 2390 Welsh students on taught higher degrees in England, based on 2013/14 figures.

Retaining portability is important for preventing a potential reduction in postgraduate enrolments on both sides of the border.

More generally, we would be concerned that this sets a precedent for cooperation on cross-border issues in other areas of funding policy. Full-time undergraduate students in England and Wales in particular are currently supported by a package (in the form of fee and maintenance loans) which applies wherever they choose to study in the UK. Further, the Welsh government provides portable tuition fee grants to Welsh domiciled undergraduates wherever they study in the UK. This has contributed to a significant increase in the numbers of Welsh students studying in England since the introduction of the new fee regimes in England and Wales. Around £78m in fee grant payments were made to students attending institutions outside Wales – nearly all in England – in 2014/15.^[2] We would see the lack of portability in the postgraduate support package as potentially damaging. We see this portability issue being as relevant to PGR as to PGT. In terms of PGR, we also consider it vital that any loan support should be in addition to the support provided by the UK Research Councils and the higher education funding bodies.

In the long-run, UK higher education is likely to benefit from continued cooperation between UK countries on cross-border portability issues and Universities Wales strongly recommends that the points raised here are considered alongside those raised in the UUK response.

Yours faithfully



Amanda Wilkinson
Director - Universities Wales

^[2] HEFCW Circular Report W14/18HE