

Aberystwyth University is grateful for the opportunity to submit evidence to the Welsh Affairs Select Committee's inquiry into the provision of cross border services for Wales.

## **Background**

1 Aberystwyth University has about 10,000 students, of whom about 7500 are full time, and about 2000 staff. Its turnover is around £100m per annum. The University is one of the largest employers in mid-Wales, and is a major driver of both economic development and of cultural and social change in its region.

2 Recently the Institute of Grassland and Environmental research (IGER), a BBSRC-sponsored research institute, has merged into the University, creating one of the largest centres for research in the Biosciences and the Environment in the UK. It will have a wide range of expertise in sustainable land use, mitigation of climate change, and food and water security.

## **Context**

3 Universities in Wales operate with several distinct but complementary foci : local, regional, Wales-wide, UK-wide and international. The university's mix of students is that about 30% of full-time students are from Wales, 60% from other parts of the UK and EU and 10% from elsewhere. Hence we are especially dependent on transborder flow, and it is essential that we are able to compete effectively on a UK-wide basis for students. This is also the case for academic staff. We are also, of course, dependent on research funding distributed on a UK-wide basis (through GO-Science, the Technology Strategy Board and, in particular, the Research Councils) and our competitor set in Research and Enterprise extends well beyond the UK.

4 The sector as a whole is experiencing very rapid change, in part been driven by the increasing internationalisation of education. It has always been the case that disciplinary communities are international, and typically academics have a network of international collaborations. However, there is a rapidly increasing transnational flow of students – for example, the number of students studying in other countries doubled in the last quarter of the twentieth century, and the trend has accelerated since. Numbers studying abroad have increased by 50% since 1999, and it is estimated that there are 2.8 million internationally mobile students. There are well over 300,000 students in higher education institutions in the UK from outside the UK; 14% of undergraduates and as many as 43% of research postgraduates are from overseas.

5 The UK is attractive to overseas students because of the quality of provision: consequently it is essential that quality and standards are maintained across the sector – HE UK is as strong as its weakest link in terms of quality assurance. Several countries are developing as competitors to the UK and US in particular (both have lost market share over recent years – though of an increasing transnational market). For example, China is becoming a serious international competitor, and Malaysia is becoming a hub for transnational education in the region. This incidentally gives Aberystwyth a particular opportunity – we have a long relationship with Malaysia and Aberystwyth is held in very high esteem. In 2000 the UK was third in the OECD on the percentage of young people graduating; now it is 10<sup>th</sup>. The UK spends under 3% of GDP on tertiary education; China spends 4%.

India has similar ambitions, with more than a doubling of the participation rate planned over the next few years.

6 In parallel with these international trends, the fact that Higher Education in Wales is a devolved responsibility gives Wales the opportunity to develop policies which differ from those in England and are geared to Welsh requirements. However, the boundary between England and Wales in Higher Education is, to say the least, porous, and consequently a nice balance must be struck between being part of the UK system and introducing some policies which are particularly geared to Wales.

### **Student recruitment**

7 Clearly one of the areas in which there the variation in arrangements is most marked is in relation to deferred flexible fees. In recent years Aberystwyth has experienced a significant increase in applications to Welsh HEI from Welsh domiciled students. This would have been expected, and is in line with the Welsh Assembly Government's policy in relation to increase the percentage of students from Wales studying within Wales. Aberystwyth warmly welcomes this increase. However over the last few years we have also experienced a significant downturn in applications from English domiciled students (between 2005 and 2007 there was a decrease of over 20%, with a similar increase in percentage terms in applications from Wales).

8 This downturn has affected most institutions in Wales to some extent, depending in part on the mix of students from Wales and those from outside Wales. The reasons are likely to be complex: there may have been an issue of obtaining clear information about the fee regime and in particular bursary provision. At the same time other factors have been at play, in particular the increasing localisation which has occurred at the same time as the internationalisation noted above.

9 We are conscious of the way in which DIUS has encouraged and incentivised universities in England to engage with schools. It is important for Aberystwyth that we can engage with schools in England to remain competitive. It is already the case that our bursary provision is recognised as one of the best in the UK. At the same time we have to ensure that our provision remains attractive, and we spend significant effort in portfolio renewal.

10 The effort which Aberystwyth devotes to ensuring an attractive and competitive provision on the UK-wide scene is evinced by the fact that it has done extremely well in all surveys of student satisfaction (as, indeed, have HEIs in Wales generally). The results of the National Student Survey have been excellent, and Aberystwyth registered the highest score in the UK for student satisfaction in The Times Good University Guide 2008.

11 It is because it is so essential to remain competitive that we are concerned about the potential cumulative effect of the so-called funding gap if corrective action is not taken soon.

12 The flow of students into Wales provides significant direct inflow to the economy in Wales, but is an outstanding means of demonstrating the best that Wales has to offer. We agree with the statement made by Higher Education Wales in its submission to the Select Committee that there would be serious consequences to reputation and to the economy of Wales if a more insular approach to cross-border flow of students and staff develops.

## **Research**

13 Aberystwyth University strongly support the maintenance of the dual support system for supporting research. This however does mean that one funding stream is devolved (the support channelled through the Funding Council), while the other, that through the Research Councils, is not. It is important that Welsh HEI are seen to compete on a UK-wide basis, and the assessment of research in future, by whatever mechanism is agreed, should be UK-wide. It is reasonable to use different policy drivers which acknowledge the particular needs of Wales and in order to strengthen the research base in Wales, but only in the context of a single overarching framework.

14 It is often necessary to remind UK wide agencies that research funding is indeed UK-wide and that Wales should be given the opportunity to compete for a share of the available funding. An excellent example involving Aberystwyth is the funding from BBSRC for the new Institute of Biological, Environmental and Rural Sciences.

15 It is important that governments in Westminster and Cardiff exchange information and we endorse the comments made in the HEW submission on the importance of effective channels of communications between officials and politicians.

## **Policy initiatives**

16 We are concerned that a number of initiatives have been introduced in England without a counterpart being available in Wales. One of these is the matched fundraising scheme, and we hope that such a scheme can be introduced in Wales.

17 Of particular concern is the large scale review of HE in England announced by DIUS. This could have serious cross-border impact, and there is a serious danger that HEIs in Wales could simply 'lose out' as a result of the wide range of initiatives that are likely to emerge. We have already mentioned the mechanisms for engagement with schools and colleges.

18 Perhaps the most serious implication would be as a result of any decision to change the fee regime in England. Should the fee cap be raised or even lifted completely, without a corresponding facility in Wales, HEI in Wales would face a period of sharply decreasing competitiveness, over and above that which might ensue from the funding gap if it persists.

19 HEI in Wales engage with employers both within Wales and across the border. We recognise the economic impact of universities such as Aberystwyth and the importance of engagement with local companies. However, the engagement must be with companies of all sizes, and that means establishing working relationships with companies outside Wales.

20 Direct knowledge transfer is an important aspect of our work, through consultancy work and research contracts, and also through the establishment of spin out companies, an area where Aberystwyth has been successful. The difficulty which we have found in relation to direct commercialisation is the attracting of second phase venture capital funding; we are certain that improved communications would be have a significant effect.

## **Conclusion**

21 A vibrant and successful Higher Education sector is essential for the development of the 'Knowledge Economy' in Wales. Aberystwyth is very much aware of its contribution to the local and regional economy, and we emphasise the importance of the spectrum leading from pure research, through applied and strategic research, to knowledge transfer and innovation. Our approach to research, scholarship and knowledge transfer is outward looking, acknowledging the requirements of the end-users of research, and gathering together interdisciplinary teams to respond to important current challenges and problems.

22 Wales needs an HE sector which competes effectively within the UK. It is part of the UK Higher Education system and must develop mechanisms for combining this position with its contribution to the needs of Wales. Policy must ensure that it continues to attract students, staff and investment into Wales.