

Review of conservatoire and performing-arts provision in Wales

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Submitted to the Cabinet Secretary for Education, Welsh Government

November 2017

## **FOREWORD**

### **To the Cabinet Secretary for Education**

I am pleased to submit my Review of conservatoire and performing-arts provision in Wales.

#### Task

Your predecessor announced on 11 December 2015 that he had asked me to carry out an independent review. His Written Statement, which includes the terms of reference of the review, explained:

"The aim of the Review is to ensure that Wales continues to benefit from high quality intensive performing arts courses which focus on practical, vocational performance. Such provision is crucial to the skills' needs of the creative industries and to the cultural life of Wales."

The full terms of reference are set out in Appendix 1. I was asked to examine the current arrangements for supporting conservatoire and related provision in higher education in Wales and also to examine the role of the Higher Education Funding Council of Wales (HEFCW) in supporting this provision. I was also asked specifically for recommendations on the future funding of conservatoire and related provision in Wales, and for possible future curriculum developments to be identified.

#### Method

A general call was issued on the government website for submissions in response to the terms of reference. In addition, I wrote requesting submissions individually to the organisations most affected by the Review, the Royal Welsh College of Music and Drama (RWCMD or the College), the University of South Wales (USW), HEFCW. I also wrote to the other universities in Wales and a range of organisations in the cultural and creative sector, including Arts Council Wales and the National Performing Companies.

Some 22 submissions were received. I am grateful for the information and views contained in these contributions. Three of them came from the College, one each from USW and HEFCW, and nine from the cultural sector and creative industries, including two from youth arts organisations. Four papers were submitted from within higher education, including two from university music departments, and three letters were received from individuals with a special interest in the subject.

I held 16 meetings during the Review, of which 13 were with organisations and individuals who had made written submissions, and a further three were with individuals closely involved with the evolution of the situation in Wales, including Sir Ian Diamond who graciously agreed to share his thinking in advance of publication of his report on the funding of higher education in Wales. I made visits to both the College and USW (to its ATRium facility in Cardiff), where I was warmly welcomed. I benefitted greatly from the openness of the discussions with their staffs. For a wider perspective, I also visited the Royal Academy of Dramatic Art in London. A full list of the submissions received and of those I have consulted is set out in Appendix 2.

I have been assisted in the Review by officials of the Department of Education, Neil Surman, Clare Jones, and Carol Weighell, and by an independent advisor, John Myerscough, a respected authority on conservatoires and on the cultural system. The student data on performing-arts programmes were supplied by the Department of Education and Skills. Information on the creative and cultural industries in Wales, including statistics on the shape and evolution of the sector, was supplied by the Department of Economy, Science, and Transport

Helpful information on the development of dance in Wales was received from Professor Veronica Lewis. I am grateful to various organisations for responding to requests for additional information, and especially to HEFCW for kindly supplying details on HEFCE's premium funding of conservatoires in England and on the background to the original formulation of the expensive subject premium.

#### Recommendations

The recommendations of my Review are that:

- the revenue funding of the College should be increased by some £2.36 million, building up over a period of three years from 2017/18, and HEFCW should give consideration to writing off its interest-free loan to the College;

- the College's autonomy should be reinstated, its name should be changed to "The Royal Conservatoire of Wales", and its national role further developed;
- the College, subject to the implementation of the recommendations on funding and governance, should plan to introduce contemporary-dance training at the undergraduate level during the next three years, whilst keeping under review any pressing need for expanded musical theatre provision;
- HEFCW might wish, in due course, to establish whether any important features of teaching provision in the creative industries, might require, as with the STEM subjects, an expensive-subject premium to cover the full cost of such provision.

The terms of reference drew attention to the significant changes under consideration in higher education funding in Wales, in national governance, and the regulation of HE arising from the Hazelkorn and Diamond reports. I believe the recommendations of this Review align closely with the thinking of the other two reports. I support the principle of an arms-length body, such as HEFCW, and I concur with Professor Hazelkorn's argument that in future such a body should be better constituted to drive the implementation of Welsh-Government priorities in post-compulsory education and training, including conservatoire provision.

### Report

The information and arguments behind these recommendations are set out in the report:

Chapter 1 looks at the nature of conservatoire training in Wales which, with a minor exception, is concentrated in one specialist institution, the RWCMD, before putting this in a UK-wide and international context and identifying the key characteristics of this type of training.

Chapter 2 examines the recent advance of the College's standing and the role of the College as a national institution, the public-good consequences of its extensive non-HE activities, and the potential to extend the geographic reach of its social-access programmes and pre-18 training pathways.

Chapter 3 explores the high-cost of conservatoire training, and the reasons for the reduction in resource in Wales, which precipitated the funding crisis of the College; the Review's recommendations on funding are in this Chapter.

Chapter 4 explains why conservatoire training is normally provided in stand-alone, specialist institutions and, after an assessment of the current institutional setting for the College, as a subsidiary of USW, concludes that re-establishing the autonomy of the College is an essential step.

Chapter 5 considers ideas for curriculum development as requested in the terms of reference of the Review, concluding that undergraduate, contemporary-dance training should be introduced by the College, whilst its music-theatre programme should continue pro tem as at present.

Chapter 6 describes the provision in Wales for performing arts, extended into the creative industries, of which Wales has a significant concentration, and in which USW plays a leading part; subject to the growing recognition of the need to reform the skills system, a review of costs in creative-industries provision might be considered, with an extension in mind of the expensive subject premium to critical areas.

In considering the role of HEFCW in supporting conservatoire and related provision, Chapter 7 concludes that, following a strong initial performance in applying the premium-funding system to conservatoire provision, changes to the funding of higher education in Wales have over time made it difficult for the Funding Council to maintain its commitment to the College.

### A way forward

I am grateful for the hard work and insights provided by the individuals who have assisted in this Review and for the written submissions received and for the many discussions held during the course of this assignment. I emphasise that I take full responsibility for its contents and conclusions. I hope you will find the recommendations a practical and sensible way forward.

Lord Murphy of Torfaen  
September 2017

## CONTENTS

	Page
<b>FOREWORD</b>	2
<b>1. CONSERVATOIRE PROVISION</b>	5
i. In Wales	5
ii. Comparators, including other nations	6
iii. Characteristics	7
<b>2. NATIONAL CONSERVATOIRE OF WALES</b>	9
i. Realising the vision	9
ii. National role	10
iii. Lines of development	13
<b>3. FUNDING</b>	14
i. Context	14
ii. Special arrangements	14
iii. Changing funding arrangements	15
iv. Developments in England	17
v. College finances	18
vi. Required resource	20
vii. Conclusions	22
<b>4. RELATIONSHIPS</b>	23
i. Context	23
ii. Current position	24
iii. Reinstating autonomy	25
iv. Practicalities	26
v. Conclusions	26
<b>5. CURRICULUM DEVELOPMENTS</b>	28
i. Musical theatre	28
ii. Contemporary dance	28
iii. Conclusions	30
<b>6. RELATED HE PROVISION</b>	31
i. Related provision	31
ii. Practice	31
iii. Academic departments and conservatoires	32
iv. Creative Industries	32
v. Conclusions	33
<b>7. HEFCW</b>	35
i. Role	35
ii. Policy	35
iii. Conclusions	36
<b>APPENDIX 1: Terms of Reference</b>	38
<b>APPENDIX 2: List of parties consulted, evidence submitted and letters received</b>	39
<b>APPENDIX 3: Tables</b>	40
<b>APPENDIX 4: Corporate governance of the Guildhall School of Music and Drama</b>	50

## 1. CONSERVATOIRE PROVISION

### i. IN WALES

#### Welsh specialist institution

The primary task of this review is to examine the arrangements in Wales for supporting "high-quality, intensive, performing-arts courses, which focus on practical and vocational performance". Such conservatoire provision is confined in Wales to the work of one tertiary-level organisation, the Royal Welsh College of Music and Drama (the College),<sup>1</sup> which is a specialist institution wholly focussed on providing practice-based vocational training and education for talented students intent on performing careers in music and theatre. The Review discusses later the important difference between conservatoire provision and the other kinds of performing-arts courses which are available in the music and drama departments of the universities.<sup>2</sup>

#### Programmes

The College's programmes cover the major disciplines of music and drama. It has 727 students (665 FTEs) of whom 484 are training in music, 226 in drama, and 17 on a small arts-management course (2015/16) [Table 1]. The music courses cover all the classical specialisms, in strings, woodwind, brass, and percussion, keyboard, singing, through to opera and jazz. The drama training comprises acting and music theatre alongside stage-management (with the technical-theatre disciplines and event training), production, and stage-design (set, costume and puppetry). Running performance and production training in parallel means that the students in these two creative roles can share the experience of delivering public performances. When practised in small, specialist institutions, this arrangement is generally believed to create the best outcomes.

#### Wales

The College has a Welsh flavour in its curriculum, with singing, which is available in Welsh, harp, choral conducting, and brass programmes, and it also delivers acting training in the Welsh language. Productions are made in Welsh of newly commissioned plays when the cohorts of Welsh speaking actors are sufficiently large. The College fulfils a vital training role in relation to Wales's burgeoning film and television drama-production cluster.

#### Levels

Some 538 of the 729 students (2015/16) are enrolled on UG programmes, and the other 191 in postgraduate study [Table 3]. All the UG programmes, three years in drama and four in music, are full-time, as are all the PG programmes in drama. The postgraduate music programme spreads the teaching mostly over more than one year. Such provision for part-time study is especially appropriate when the process of physical maturing is integral to the success of the training. This is most obvious in singing. The postgraduate programmes are split between advanced specialisms (eg choral conducting) and programmes for more advanced study of a particular instrument or skill.

#### Role and employment

The intensive training provided by the College prepares students for sustainable careers in specific positions in the world of performance. In music, this builds on what has usually been extensive prior training, typically started in early childhood. Previous experience, as well as an early start, is increasingly also expected in acting. The aim of the College is to deliver "industry-ready" graduates, as appropriate, following either UG or PG study. It is common for UG music graduates to go on to further study either in the College or in other conservatoires. The College's expectations for its employment outcomes are very high, and it measures success by looking at the longer-term outcomes (see Chapter 2). Given the high cost of conservatoire training, it is important in public-value terms that the bulk of its graduates enter and remain in the professions for which they are prepared.

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<sup>1</sup> Mention should also be made of a self-contained conservatoire-style course, the MA in Advanced Vocal Studies, based at the University of South Wales Trinity St David, which is led by Denis O'Neill, the distinguished operatic tenor. This course concentrates on vocal teaching and on teaching vocal style and is for students with a professional singing career in mind.

<sup>2</sup> See Chapter 6.

## ii. COMPARATORS, INCLUDING OTHER NATIONS

### Comparators

The institutions with which the College can be most appropriately compared are the eight other independent conservatoires in the UK, one in Scotland, and seven in England. These organisations are similar in standing to the College, and they are also the Welsh institution's direct competitors. The Royal Conservatoire Scotland, in Glasgow, is the closest to the College in terms of both its national role and its combination of music and drama provision. Unlike the College, RCS also has a dance (modern ballet) programme [Table 4].

### England

The seven conservatoires in England each as specialist institutions are funded by HEFCE for their "world-leading teaching". Like the College, the Guildhall School teaches music and drama. Trinity Laban covers music and dance. The other four specialise in one discipline. Three are music conservatoires, the Royal Academy of Music, the Royal College of Music, and the Royal Northern College of Music (RNCM). The Royal Central School specialises in drama. Of the aforementioned six English conservatoires only one, RNCM in Manchester, is based outside London. The seventh school, the Conservatoire for Dance and Drama (CDD), has an unusual format. This is a grouping of eight independent schools, which together constitute a single higher education institution. Three of the affiliated schools specialise in drama, four in dance, London Contemporary Dance School, Central School of Ballet, Rambert School of Ballet and Contemporary Dance, and the Northern School of Contemporary Dance, and one in circus, The National Centre for Circus Arts. The three CDD drama schools, the Royal Academy of Dramatic Art, the London Academy of Music and Dramatic Art, and Bristol Old Vic Theatre School (BOVTS), are direct competitors of the College. In addition to BOVTS, one other CDD School is based outside London, that is the Northern School of Contemporary Dance in Leeds.<sup>3</sup>

### Standard practice

Providing performance training at an advanced level in independent specialist institutions is standard practice in most other parts of the world. In Europe, this applies both to the large states and the small nations, where the function is typically delivered by national institutions. The Nordic countries provide good examples of this. The Royal College of Music in Stockholm was founded in 1771 and given its independence in 1971; but the Royal Danish Academy of Music was founded more recently, in 1975. The Sibelius Academy, in Finland, was created under Russian rule in 1882, and renamed 'Sibelius' in 1939. It was recently merged with the national theatre school and art and design school. In Norway, what started in the 19th century as the Lindeman School of Organists became the Norwegian Academy of Music only in 1973. Its role in delivering top-end training is shared with the Barratt Due Institute of Music, a private school founded in 1927, which receives state funding in support of this role for its 90 HE students.

### France and Germany

Amongst the larger states, France has two national conservatoires, one in Paris, founded in 1795, and the other in Lyon, established in 1980. Both teach music and dance. Whilst not formally within the 'Grandes Écoles' system, the national conservatoires conform fully to the French tradition of providing almost all advanced vocational training in specialist 'Grandes Écoles', of which France currently possesses over 260. Education and training in Germany is a responsibility of its 16 constituent states and not of the federal government. Accordingly, the German states fund some 24 music hochschulen, which are specialist institutions equivalent in status to universities.<sup>4</sup> Strictly speaking these are "state" and not "national" institutions. Their considerable number reflects both Germany's strong commitment to vocational provision and its long tradition of music conservatoires, of which the first was in Leipzig, founded in 1842. In a few cases, drama is taught alongside music, but, for the most part, drama and dance training is provided in separate hochschulen, as is art-and-design training.

<sup>3</sup> It should be noted that, alongside the nine institutions which receive premium funding from the Scottish, English, and Welsh funding councils (or 16 counting the eight CDD schools individually), the membership of Conservatoires UK also includes the Birmingham Conservatoire, which is one of ten schools in Birmingham City University's Faculty of the Arts, Design and Media, and the Leeds College of Music, part of Leeds City College, one of the UK's largest FE colleges. Neither of the latter receives premium funding from HEFCE. The wider context of the training system in England includes many other government-supported, small, specialist organisations delivering vocational courses which prepare students for direct entry into the performing professions. They include the four dance boarding schools, eg the Royal Ballet School, which finish at 18 years (part of the Music and Dance Scheme), and the 19 Dance and Drama Awards (DaDA) schools, eg Mountview Academy of Theatrical Arts and Laine Theatre Arts, generally teaching for level-five and-six awards. Amongst the expanding number of alternate providers of higher education are several contemporary and popular-music specialists. These include the Academy of Contemporary Music and the Institute of Contemporary Music Performance.

<sup>4</sup> Deutsches Musikinformationszentrum.

## Scotland

It is worth noting that Scotland fits into this pattern with its Royal Conservatoire Scotland. Its foundation can be traced back to 1845 as the Glasgow Education Academy. Through various manifestations this became the Scottish National Academy of Music in 1929. At this stage, as one of the "central institutions" of Scotland, it already received public funding through the Scottish Office. It took over the validation of its taught degrees from the University of Glasgow in 1994. Its Memorandum and Articles are determined by the Royal Scottish Academy of Music and Drama (Scotland) Order in Council of 1995.

### iii. CHARACTERISTICS

#### Student numbers

HE student numbers in conservatoires rarely exceed 1,000 anywhere, and many are much smaller than this. They are very small in comparison with general higher-education providers. HE enrolment in the UK's premium-funded conservatoires (excluding CDD) averaged 856 (see Table 4) in 2014/15, which compared with an average of some 14,000 in the UK's 162 universities<sup>5</sup>. The largest conservatoire in terms of student numbers is the Royal Central School, with 995 students. The College, with 729 HE students in 2015/16 (see Table 1)<sup>6</sup>, is closest in size to the Royal Academy of Music, which has an enrolment of 775. The eight independent institutions which form CDD have much smaller student bodies, with HE numbers ranging from 67 in the National Centre for Circus Arts, to around 200 in London Contemporary Dance School.

#### Specialisms

It is relevant to note the comparative positions on student numbers in the individual specialisms within these institutions. The College's drama enrolment, at 235, is by no means the smallest amongst the comparators; it is less than the Royal Central's and the Royal Conservatoire Scotland's, but more than those of the Guildhall and the drama schools within CDD, such as RADA, which has some 170 HE students. In music, the College has 480 students, and is closest in this regard to the RCS, which has 485 students. The average HE enrolment in music in the UK conservatoires is 666 which is notably higher than average enrolments (490) to the music hochschulen in Germany. But the overall capacity of the German system, with 24 music hochschulen, is three times greater than in the UK.

#### Logic of numbers in music

Precise student numbers in the specialist institutions are determined by a range of factors, including the characteristics of the training, the specific artistic requirements of the different disciplines, and the needs of the professions, especially their ability to absorb new entrants. A major factor in calculating the numbers in music is the size and instrumentation of a symphony orchestra, which is central to ensemble training in most music conservatoires. The range and size of programmes in other disciplines, such as singing, opera-training, keyboard, jazz, folk, and musical theatre, can be more variable and build up the numbers accordingly.

#### Drama and dance numbers

The numbers in acting are usually much smaller than in music. They are driven by the organisation of the training into companies, which, for repertoire reasons, need to be carefully balanced and precisely calibrated. Schools might typically recruit two companies of between 12 and 17 students a year. UK drama schools, in addition to acting training, also deliver technical training, stage-management, the technical crafts, and design. Dance training is more communal and is structured around the manageable size of the dance class, typically in the range 15-20+. This drives the lives of professional dancers, and it begins in school. Music usually has the largest numbers amongst the three disciplines. An exception is the Royal Central School of Speech and Drama. This is not only the largest drama school in the UK but also the largest of the conservatoires.

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<sup>5</sup> HESA.

<sup>6</sup> In 2016/17 the College had 786 students (717 FTE).

### Standard template

The distinctive nature of conservatoire training essentially follows what is an internationally observed template.<sup>7</sup> This determines the detail of the training, its institutional setting, and its high cost. The essential features of this are:

- a working and learning environment which replicates the professional performing world in both the facilities of the institution and rhythm of its student life;
- intensive, immersive training, which focusses on nurturing the individual young artist;
- small numbers of highly selected students each chosen for their outstanding talent and aptitude;
- close engagement with the sectors it serves, including student placements;
- staff who come from the professions and maintain their practitioner roles;
- much contact with visiting practitioners, sector professionals, and agents;
- deep study of artistic meaning and valid expression in specific repertoire;
- practice-based laboratory activities which move the art form forward;
- developing a critical approach to creative thinking and strong commitment to establishing sustainable practice; and
- a supportive environment with full access to essential medical and conditioning services, such as Alexander Technique, and other help.

### Ethos and distinctive rhythm of life

The particular ethos of conservatoire life derives from the distinctive nature of the training and the central place of performance in these institutions. This is also the principal aspect of assessment. The rhythms essential to preparing and delivering performances, most of which are given before audiences of public and professionals, shape the entire life of the institution. The high expectations and ambitions of students are reflected in long hours of practice, study, and rehearsal.<sup>8</sup> The institutions are outward-facing and have close engagement with the professions, which the students aim to join and from which the teaching staff primarily come. Accordingly, their external links are mostly with the worlds of music and theatre, rather than with other higher education institutions.

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<sup>7</sup> Conservatoire Advisory Group, chaired by Sir John Tooley, *Review of Music Conservatoires*, HEFCE (1998).

<sup>8</sup> RWCMD Students' Attitudes and Opinions: report on focus group research and online survey, National Union of Students (2016).



## 2. NATIONAL CONSERVATOIRE OF WALES

### i. REALISING THE VISION

#### History

The College has reached its current high standing within the conservatoire world following a long journey from its origins in 1949 as the Cardiff College of Music and Drama, a local-authority, further-education College, which taught both performers and teachers. By the 1970s, it was concentrating more on performers, and it joined the Conference of Drama Schools in 1975. A vision was articulated in 1990s to create a world-class conservatoire. This concept was readily accepted in Wales, a country which has a keen sense of its own culture, and the premium funding, introduced in 2001, provided the resource to realise the vision.

#### Notable progress

The College is now acknowledged as a member of the international community of conservatoires. It may be something of an exaggeration to say that, before the 'royal' designation in 2002, the College was "virtually invisible within Wales", since the acting and design programmes were already strong and respected in the profession. But some changes were needed in music, and the College began to focus more on its areas of potential strength, which included transforming its relationships with the national companies of Wales. The College added further distinguished teachers to its music staff in key areas. Moreover, the new building of 2011, with its exceptional performance and rehearsal facilities, made a "bold statement" about the College's ambition and place of the institution.

#### Applications

The response to these changes was a major increase in student applications for music. These rose by some 59% from 2006 to 2014. The growth was particularly pronounced for the postgraduate programmes [Table 9]. The international interest in the College also grew considerably so that students from the rest of Europe and the rest of the world now (2015/16) constitute 20% of the student body [Table 2]. This is an exceptional achievement in Welsh higher education, the overseas recruitment of which averages 8% [Table 6], and it compares well with the UK conservatoires outside London, eg 25% in RNCM and 29% in RCS [Table 5]. Applications continue rising and they totalled some 2,508 for the 2016 entry, or 23 per place [Table 8].

#### Rates and retention

The acting courses are the most popular, both the BA and MA Acting, with 47 and 27 applicants per place respectively. The other undergraduate courses recruit strongly with application rates of five or so per place. Application rates for the postgraduate programmes range from two to eight per place [Table 7]. The volume of applications remains strong for the MMus, Theatre Design and Opera Performance. The College's strong application rates are matched by outstanding performance in retention, with fewer than 4% withdrawals and/or academic failures per year. The average retention rates at the College for the years 2011/12 to 2015/16, was 96.4%, which is typical of specialist institutions in general.

#### Satisfaction

Although there are major issues about the use of the results of the national student survey for comparisons amongst institutions, they are commonly cited for this purpose. The College's most recent national student satisfaction score is 86 (2016). The average for the nine UK conservatoires is also 86, with a range from 72 to 90. The College's scores for its individual programmes respectively for music and drama are 78 and 95. According to the College, the music score still registers an issue around changes to the music timetable made in 2014/15.

#### First destination

A more important measure is the percentage of graduates who find graduate-level jobs or are pursuing further studies within six months of graduation, taken from the first-destination leavers' survey (DLHE). Currently, the College's scores of 95% in music and 84% in drama (2016) are amongst the highest in the UK. The Guardian University Guide indicates the College has also achieved the overall top ranking in the UK for drama training twice in the last three years. The College attributes this to a "focus from the onset of training to follow-up after graduation wholly on the employability of the students in its care".

### Longer-term outcomes

The most important measures of the College's success are the longer-term employment outcomes and, in particular, the extent to which it delivers graduates who remain in the professions for which they are trained. Looking at the 2013 graduate cohorts [Table 10], it can be seen that over 90% of the drama students are still working in their intended roles, either in acting or production. A further 5% have switched to roles in allied professional areas, such as arts management and fewer than 5% are either "don't know" or have left the performance world. Around 85% of the musicians are working in music, either as performers (65%) or as teachers (20%) mostly of instruments and voice. A further 8% or so are in allied roles, such as recording, arts-management, broadcasting, therapy. And less than 10% have either left music and the performing arts, or lost contact.<sup>9</sup> These results are broadly in line with the achievements of the College's conservatoire competitors.

### Standing

The Artistic Director of WNO told the Review that the College is "one of the most serious of places .... which does everything well". The College believes the particular strengths which distinguish it from its competitors are the exceptional setting and facilities, and its close links to the Welsh national companies. Notable disciplines which draw students from around the world include singing and opera, brass, choral conducting, design, acting, model-making, and puppetry. Employers from the cultural and creative sector confirmed that the College did the job of nurturing Welsh talent exceptionally well. Its engagement with the creative industries, especially in meeting the needs of the film and television drama production cluster in Wales, is considered outstanding and it is highly valued by employers.

## ii. NATIONAL ROLE<sup>10</sup>

### Welsh talent

As one of its national roles, the College delivers advanced training for the most talented Welsh students alongside top students from the rest of the UK and overseas. This equips them to take positions in the cultural system in Wales and elsewhere. Some 24% of the College's enrolled students are Welsh-domiciled in 2015/16, with 20% from Europe and the rest of the world, and 56% from the rest of the UK [Table 2].

### Links to the sector in Wales

The performing and producing companies in Wales look to the College for a supply of trained staff and practitioners. The College maintains close contact especially with the national companies in this and on other matters. The engagement of performers operates in a UK, and in some areas international, market. Recent examples of the College's success in Wales are the principal trumpet post in the BBC National Orchestra of Wales, won by a recent alumnus, the eleven College alumni in the cast of thirteen in Theatre Cymru's much praised anniversary production of *Under Milk Wood*, and the 25 College alumni who were employed in the Starz/BBC Worldwide design team which produced three seasons of *Da Vinci's Demons*.

### Support for priority economic sector

The College feeds many skilled practitioners into the creative and cultural industries in Wales. The growth of the creative industries in Wales is a remarkable success, especially the film and TV drama production corridor along the M4, in which employment increased by 54% from 2006 to 2015.<sup>11</sup> According to the Department of Economy, Science and Transport, the College has been central to the Government's strategy for supporting this priority economic sector. The commitment of the College to serving the high-level training and recruitment interests of film and TV drama production continues to be a key confidence factor in securing further growth in international investment in this sector. More than one employer in the creative sector, including Tinopolis, Three Cliffs Productions, and the National Theatre of Wales, argued the case to the Review for the College to increase its graduating cohorts in technical theatre, where there are still shortages in Wales.

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<sup>9</sup> By way of examples of types of employment achieved when these data were collected, College-trained designers from the 2013 cohort could be found at the RSC, the Royal Ballet, and Glyndebourne, and actors from the 2013 cohort were appearing in *Cheek by Jowl*, the National Theatre, the New Vic and Bristol Old Vic, and singers had roles at Opera North, WNO, Covent Garden, and Glyndebourne. College brass players, a particularly successful instrumental specialism for the College, were working in the LSO, the RSNO, the RPO, the RLPO, BBC NOW, and WNO.

<sup>10</sup> This account is based on evidence and analysis relating mainly to 2015/16 or earlier.

<sup>11</sup> Welsh Government priority-sector statistics (including creative industries).

### Welsh-domiciled students

HESA report that some 370 Welsh-domiciled students attend conservatoires in the UK (2014/15), of which 150, or 41%, study at the College [Table 11]. Of the other 59%, almost all (58%) choose to train in England, with 1% preferring Scotland. In general, some 62% of Welsh-domiciled students in higher education attend Welsh universities. So, in respect of conservatoire training, the proportion of Welsh domiciles choosing to study in Wales, at the College, is close to the average across higher education.

### Music, drama, and dance outside Wales

There are several reasons why Welsh students may choose to study outside Wales. First, conservatoire-level training in dance is not available in Wales, and so dance students currently must leave the country to pursue their ambitions. Second, the success of the junior programmes at the College reinforces the wish of many students to study away from home, especially those in music, who by the age of 18 already could have been studying at the College for up to ten years. Similar factors are at play with young actors in their choices for advanced study. In 2015/16, 18 from the Young Actors Studio went on to advanced study. Of these, six chose to remain at the College, and the others went to various conservatoires and advanced DaDA schools in England. Finally, Cardiff is not necessarily the first choice option for students from North Wales who account for 13% of the Welsh enrolment at the College, against the 26% of the Welsh population who live in the North. This could also explain why about one fifth of Welsh students attending conservatoires outside Wales are to be found in Manchester, in the RNCM.

### Wider role

The College, like all its UK equivalents, undertakes a significant body of activities beyond its core higher-education and training role carried out in Cardiff. These make available the College's expertise, knowledge, and experience, either in teaching, performance, or other professional services, at different levels, in other ways, and in other parts of Wales. But its national role means that such activities are taken further by the College than by some of the other UK conservatoires. As the national conservatoire of Wales, the College aims to function as a resource for the whole of Wales and the Welsh nation. These additional activities fall principally into the following areas: pre-18 intensive training; addressing outreach and access in the arts; public performances and events; and partnering government in key policy areas.

### Pre-18 intensive training and outreach

The College delivers much pre-18 training of talented performers, as well as outreach activities in schools and community settings. The Junior Music Conservatoire in Cardiff draws some 180 pupils from mid- and South Wales, who attend weekly intensive training. Additionally, the Mini Music course, in Cardiff for 4-to-8-year-olds, which is designed to stimulate interest in music of all kinds, as well as develop performance skills in very young students, draws a further 46. The College's Young Actors Studio in Cardiff and its satellite in Haverfordwest train between them 164 students. In addition to the intensive courses, the College's outreach programmes reach up to 10,000 people across Wales, mainly schoolchildren and some older citizens. Welsh schools can also access curriculum support from the College. The success and visibility of the College provides a point of aspiration for young people throughout Wales, and serves to stimulate interest in performing-arts practice in particular. The progressive pathways provided by the College in music and drama for talented young people in Wales prepare them, if they so choose, to enter advanced training.

### Performances and events

The College operates an impressive public-performance programme, which, with 500 performances a year, is the most ambitious of its kind amongst the UK conservatoires. Audiences have risen twelve-fold from 5k in 2012 to 65k in 2015. The College's programme mixes its own productions and performances in music and theatre with concerts and shows by visiting performers, including international artists. In theatre, the College is the most active maker of new productions and commissioner of new stage work in Wales. Performances of the latter add considerably to the challenge and importance of its programming and, as previously explained, it is important that some of this is in Welsh. The College also hosts major events in its excellent facilities, for example, the BBC Cardiff Singer of the World singing prize, and the BBC Musician of the Year, and, from time to time, significant exhibitions, such as World Stage Design 2013, which drew upwards of 12,000 visits.

### Cultural sector partner

The College is an active professional partner to the cultural sector. This includes collaborations with producing and performing companies in Wales, which range from the "Other Directions" project, linking

NDCW dancers with College designers in new choreography, to the supply of extra singers for the WNO Chorus, and much sharing within the sector of its technical expertise, crewing, and equipment for professional shows and events. In a service role, the College programmes national jazz touring for Arts Council Wales (ACW) and runs the South Wales Orchestral Consortium, which operates the clash list and collects market intelligence for the major ensembles and promoters. More broadly, the staff of the College individually feed their expertise and enthusiasm into the cultural infrastructure of Wales as skilled practitioners and leaders in the voluntary and youth sectors, as well as directors, managers, designers, and performers in their various disciplines. The College has a consultancy role with other training organisations and institutions in Wales and, as described below, also overseas.

### Public policy support

In addition to the College's support for the creative industries as a priority economic sector, as mentioned above, its distinctive contribution to national policy is recognised in several other areas. These include schooling and young people, where the leadership and support given by the College in instrumental teaching from early years and in youth companies and ensembles is valued by the music services and by National Youth Arts Wales. Furthermore, Arts Council Wales regards the College as its "natural partner for many of its goals". This includes its work in the development of Welsh culture, both through the training of cohorts of Welsh-language actors, new commissions of plays in Welsh, and also new productions in the Welsh language. Additionally, the value of the College's exceptional programme of public performances and its impressive hosting of events is a distinctive addition to the South Wales cultural-tourism offer. The College will host the World Harp Congress in 2020.

### International positioning

The College has strong positioning within its UK national and international peer groups. This enables Wales to be presented in a positive light and draws international staff and students to the College. The latter come from 30 countries and are in a position to communicate home positive messages about Wales. I was told the College's international standing has brought it advisory contracts in Siberia and Singapore, and in Beijing. At home, the College has persuaded several teachers of distinction to move to Wales, which strengthens generally the creative capacity of the country, and the College is now able to call on distinguished performers and alumni of international standing to contribute to its work, such as Michael Sheen, Shirley Bassey, and Carlo Rizzi. By the same token, the Welsh Government has made use of the College's staff and students to represent the best of Welsh culture both in overseas missions, such as those to China, India, and the USA, and also on state occasions closer to home.

### Access to the arts

Some 12.6% of Welsh-domiciled higher-education students enrolled at the College in 2015/16 are from Community First postcodes. The College is committed to expanding social access to the arts and recognises this score is below the average for Welsh HEIs. But it is not low in comparison with the attainment in other conservatoires,<sup>12</sup> and since the aptitude for conservatoire training, especially in instrumental music, is set primarily by pre-entry attainment, which itself depends on intensive early-start training, the College's prime effort in widening access concentrates on its junior programmes and outreach work. The social indicators in this work are impressive. Some 65% of young musicians attending the Junior Conservatoire qualify for means-tested bursaries, as do 92% in the Young Actors Studio. The BME recruitment in the Junior Conservatoire (7-to-18-year-olds), is 28%, and it is especially high for the Mini Music student (4-to-8-years), at 46%.

### Wider national role

The importance of the College's wider national role has been strongly supported in evidence to the Review. This reflects both the College's position as a national institution, its role as an anchor point in the cultural system, and the number of public-good outcomes delivered by the College for Wales. The latter can be summarised as follows:

- protecting Welsh culture and advancing creative practice in Welsh;
- providing young people in Wales with a point of aspiration and engagement in performance in the arts;
- leading in shaping professional pathways into creative employment;
- expanding social engagement with artistic experiences, and building community interest;
- supporting and delivering public-policy initiatives in education and social development, and in the economy;
- enabling international investment and employment growth in a priority economic sector;

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<sup>12</sup> Exact comparisons are hard to find. According to Trinity Laban (2009/10), a conservatoires comparator group drawn from England and Wales scored 34% below the HESA benchmark in recruitment from the low-postcode neighbourhoods.

- expanding international interest in Wales as a place of excellence in music and the creative and cultural industries.

### iii. LINES OF DEVELOPMENT

#### Lines of development

The Review notes the arguments presented that the College should do even more of this work, and that its impact should be more evident in Mid-, and especially in North, Wales. Various lines of development of the College's work in training, touring, and support have been suggested. The following possibilities should be explored further:

- extending pre-18, intensive training to new satellites in mid- and North Wales to complete the coverage of the whole of Wales;
- entering into a long-term development partnership with the NYAW, which manages the majority of Wales's youth ensembles; this would consolidate existing links and discussions and benefit a thousand or more school-age young artists;
- building on the College's existing inset role with the music services and its ability to deliver high-quality music-making opportunities for young people of all abilities, and to provide national support for addressing the complex and serious issues facing this important provision; and
- extending the College's touring activities in Wales, including realising the long-held scheme to create with Welsh National Opera a young artists' company; and exploring an equivalent graduate company in theatre with a touring role.

#### Pre-18 expansion plan

In relation to the pre-18 training referred to above, the College has a plan to implement the extension of this activity with identified partners. A private foundation has agreed to pay the start-up costs for the first three years of this ambitious scheme. Government support for such work already exists in both Scotland and England. The RCS receives an earmarked grant from SHEFC for delivering its pre-18 role across Scotland. In England, the Department of Education funds the Music and Dance Scheme which provides means-tested bursaries in specified centres. These comprise eight boarding schools covering music and dance, and 21 centres for advanced training, 12 in music and nine in dance, including circus provision, as well as a successful choir-school scholarship scheme.

#### Scottish example

The evidence of the positive impact on achievement in music, dance, and circus of the schemes in Scotland and England should encourage the Welsh Government to support something similar for Wales. It might be wiser for Wales to follow the Scottish example, and hand the responsibility to the College as the national conservatoire, rather than to establish a government-administered programme of its own.

#### Need for security

As the College rightly pointed out to the Review, the funding of these activities is not a core responsibility of HEFCW, as currently defined. The funds for this work are currently raised by the College itself from trusts and foundations, corporate and individual giving, and self-generated income, and, less often, by some specific grants from government and public agencies. The College is effective at raising these funds, but the full development of the College's national role, as proposed here, will require a secure financial foundation being established for its core role, the provision of advanced conservatoire education and training. This solid footing is essential to sustaining and developing the wider role.

### 3. FUNDING

#### i. CONTEXT

##### Policy change

Since 2012/13, the funding of higher education in Wales has undergone significant change. The 2010 report by Lord Browne of Madingley<sup>13</sup> led the UK government to introduce higher tuition fees for English higher education institutions supported by tuition fee loans for English-domiciled students. In response, the then Welsh Government announced that HEIs in Wales would similarly be able to charge higher tuition fees from 2012/13. However, in keeping with its commitment to protect Welsh students from higher levels of debt, the Welsh Government made available a tuition fee grant to Welsh students with the aim of ensuring that they would not be required to borrow more, in real terms, for the cost of tuition than under the previous funding regime. The cost of the tuition fee grant for Welsh students was met from the HEFCW budget. This meant that, while the income to HEIs in Wales overall has increased as a result of the higher fees, the amount of funding available to HEFCW for allocation to universities in Wales has reduced over time.

##### Diamond Review

The planned introduction from 2018/19 onwards of the more recent Diamond Review recommendations in Wales means that in the near future higher levels of funding are expected to be available to HEFCW. The recommendations of this review sit within that context and take account of the Welsh Government's stated commitment to the implementation of Diamond.

#### ii SPECIAL ARRANGEMENTS

##### Issue

The high-cost nature of conservatoire training has long been recognised by governments in the UK and across Europe, and, with it, a responsibility to reflect this in special funding arrangements. The distinctive nature of conservatoire training drives these costs, which much exceed the value of the current undergraduate fee. It is the major concern of the Review that the Higher Education Funding Council's financial arrangements for supporting the College's provision of conservatoire training are no longer delivering the resource necessary to support the existing conservatoire-style training of the College, and this calls into question the future of this provision in Wales.

##### High cost

The high cost of conservatoire training arises from three main features of the provision:

- intensive coaching delivered by practising artists: in drama involves working in classes on skills, and in companies on rehearsal and performance for long theatre weeks; music requires frequent, individual instrumental lessons, classes in history, context, and specialist disciplines, aural training, and substantial ensemble coaching;
- extensive public performance on professional platforms: engagement with visiting professionals, directors, and assessors, and full training in the skills necessary to sustain the working life of an artist are the other planks of the training; they also require specialist support staff and production workshops, as well as substantial production/performance budgets; and
- use of industry-standard premises: theatres, concert halls, and up-to-date equipment are required and these necessitate high levels of technical maintenance and renewal; music makes extensive use of private practice rooms and high-quality pianos; drama requires a range of rehearsal rooms, studios, workshops, and stores.

Whilst there are differences in cost between the various conservatoire disciplines of music, drama, and dance, the patterns of expenditure tend to be relatively similar whatever the context or country of the provision.

##### Constraints

It is also important to understand that many of the training elements are "lumpy" in form. This places major constraints on the adjustments which can be made to conservatoire training. For example, one-to-one lessons cannot be diluted, and the company unit in acting, constructed with precisely calibrated

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<sup>13</sup> *Securing a sustainable future for higher education: an independent review of higher education funding and student finance*, Department for Business, Innovation and Skills (2010).

numbers, and the related teams in technical theatre, are much weakened, equally by either additional students or any empty places. Furthermore, much of the training is interconnected. For example, ensemble training in symphony orchestras cannot function without the training within the institution in individual symphonic instrumental disciplines, eg bassoons and violas.

#### "Expensive subject premium"

HEFCW established in 2001/02 a clearly formulated funding system designed to support the College.<sup>14</sup> This used an "expensive subject premium" (ESP), which was allocated per capita to a controlled number of home/EU students. HEFCW saw that for the College to become an institution of world standing, its ESP funding must enable it to compete with the other conservatoires in the UK. HEFCW commissioned a benchmarking study from SQW on the position in the rest of the UK.<sup>15</sup> Accordingly, the premium-funding level was set above that prevailing in the rest of the UK (see Chapter 7 for more detail), and this succeeded in practice in supporting the subsequent strong advance of the College.

### iii CHANGING FUNDING ARRANGEMENTS

#### Funding transition

The College's current funding position arises from the switch to the high-fees policy in the funding of undergraduate higher-education teaching, which commenced in 2012/13. As in England, the change was intended to deliver a net increase in the resource for undergraduate teaching by ensuring that the gain from the new high fees was greater than the savings in public expenditure achieved by reducing the teaching grants. This transition process initially drove up the teaching income of the College, with a significant rise in fees preceding the cut in grants. But, by the end of the transition period in 2016/17, the College's teaching resource for Home/EU students, as determined by HEFCW, was substantially lower than it had been in 2011/12, at the start of the process.

#### "Teaching resource"

In order to understand the nature and scale of the changes made to the College's funding for HE teaching, the Review looked at the evolution of the College's "teaching resource" between 2011/12 and 2016/17. The "teaching resource" comprises the income from both course fees and teaching grants and combines into one figure the results of changes in each of the two elements. The analysis focussed on the teaching resource for Home/EU students and excluded fees from overseas students. The latter are not relevant to this aspect of the Review, since Home/EU grants are intended for the benefit of Home/EU students, and should not be used to cross-subsidise overseas students. Accordingly, the overseas fees are set by the College at a rate which at least matches the full average cost of the teaching. By the same token, it would be in breach of a long-standing principle if it were to be argued in this context that the College's success in increasing income from overseas students should be used as a pretext for cutting the grant element in the core Home/EU teaching resource.

#### Grants

The principal element in the grant is the expensive subject premium (ESP). This is allocated on a per capita basis to a set quota of College students. THE ESP quota was around 495 FTE during the transitional period, though it varied year to year [Table 13]. It originally included both undergraduate and postgraduate students, but, in 2016/17, the quota was restricted to UG students only. This means that the quota for that year was reduced to some 477 of FTEs.

#### Fees

The new high undergraduate fee of £9,000 was phased in over a four-year period from 2012/13. The counterbalancing cuts in the College's ESP per student were from £10,130 to £9,000 in 2012/13, followed by further reductions to £6,000 in 2014/15, and £3,600 in 2015/16 [Table 12]. Additionally, the other generally applicable teaching grants from HEFCW and some funds paid to the College by the

<sup>14</sup> This system replaced previous arrangements which delivered extra resource to the College. An analysis of staff-student ratios in Wales during the 1980s shows that the College's ratio of one staff member to 7.2 students was the most favourable amongst the major higher-education institutes, at twice the sector average of 14.2, (thanks to H Morris for this reference).

<sup>15</sup> By means of the SQW study, HEFCW was able to take advantage of the fact that England in particular had already thought deeply about the place of specialist institutions in the higher-education system, and the need to find a means of funding high-cost provision in the creative areas. Of course, this built on a long tradition, going back to the first half of the nineteenth century, of central-government funding of such institutions, the Royal Academy, and subsequently the Royal College of Art, the Royal College of Music, and Trinity College. HEFCE and the English Government had also in the early 2000s brought into the higher-education system for the first time Royal Academy of Dramatic Art and London Contemporary Dance School, the founding affiliates of the Conservatoire for Dance and Drama (CDD), which had previously been independent schools in the private sector. The CDD eventually grew to eight affiliated institutions, seven from the private sector and one an established HEI.

University of South Wales were phased out by 2015/16, apart from a residual capitation payment of £3k, which remained in 2016/17 [Table 16].

### Budget pressure

As noted above, as part of the transition, the Welsh Government, unlike in England, chose to introduce a new tuition-fee grant (TFG) which shielded Welsh-domiciled students from the impact of the substantial fee increase. The cost of the TFG was met through an effective top-slice of the HEFCW budgets. This cut the finance available for other priorities which included the funding of high-cost subjects, and presented a challenge to HEFCW which was not of its own making (see Chapter 7).

### Evolution of resource

The College's HE "teaching resource" for home/EU students, amounted to £8,029k in 2011/12, of which the fees were £2,368k and the grants £5,661k [Table 17]. As a result of the phasing in of the new-regime undergraduate fee<sup>16</sup>, the fee income rose to £5,754k by 2016/17, an increase of £3,386k. But, over the same period, the grants were cut by some £4,016k to £1,645k. This reduced the total teaching resource for Home/EU students in 2016/17 to £7,399k, which was £630k below the figure in 2011/12 and represents a cut of 7.8%.

### Fees-only students

Since the College's ESP quota falls short of the critical mass of students needed for delivering its full training programme, especially the demands of symphonic-scale ensemble training in music, it is established practice to recruit additional fees-only students to achieve the necessary critical mass of students [Table 14]. HEFCW recognises this practice which involves adding some 70-80 extra UG and PG students to the premium quota of some 495 FTEs. This means that the total expensive-subject premium grant supports the conservatoire provision for the home/EU students as a whole. Accordingly, in calculating the 'unit of resource', total home/EU FTEs, rather than the premium quota, is the appropriate figure to use.

### "Unit of resource"

The "unit of resource" is calculated by dividing the "teaching resource" by the number of students in the relevant group under consideration. This is the best metric for drawing comparisons in situations where student numbers vary, either in point of time or amongst institutions. The College's "unit of resource" per Home/EU student in 2011/12 was £13,963. By 2016/17, at the end of the transition, it had fallen to £11,721, that is a drop of 16.1% [Table 17]. It can be seen that this reduction in the "unit of resource" for the Home/EU students was greater than in the "total resource", which fell by 10.2% [Table 18]. This is partly because the College responded to a deteriorating financial position by recruiting extra numbers of fees-only Home/EU students on lower-cost programmes in 2016/17, which had the effect of further diluting the "unit of resource".

### Initial boost

HEFCW was right in its evidence to the Review to claim that it succeeded in sustaining the "unit of resource" for the College to 2014/15. Indeed, in postponing the second cut in ESP by a year from 2013/14 to 2014/15, HEFCW created an exceptional year of growth in Home/EU teaching resource for the College in 2013/14 [Table 17], whereby for one year the "unit of teaching resource" rose well above the 2011/12 level to £16,133.

### 2014/15 to 2016/17

Thereafter, the "unit of resource" has fallen each year. In 2014/15, when the second cut to the ESP occurred, it dropped towards the 2011/12 level, to £14,255. In 2015/16, when the third cut to the ESP took place, "mitigating funding" was provided by HEFCW. This moderated the fall and the "unit of resource" per Home/EU student was held at £13,575. The "mitigating funding" measure was for one year only. When this was not renewed in 2016/17, the College faced a severe cut in its Home/EU "unit of resource" to £11,721. The reduction was 13.7% in the year and 16.1% overall in relation to 2011/12.

### Unsustainability

A reduction on this scale was out of all proportion to what the rest of higher education in Wales was required to undergo. This includes medical and dentistry provision, also within the ESP system, for

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<sup>16</sup> And some increase in Home/EU numbers.



which the ESP was reduced by 24% between 2013/14 and 2015/16, compared with the 60% cut administered to the College. The cut to the College's ESP called into question the sustainability of conservatoire provision in Wales.

#### iv. DEVELOPMENTS IN ENGLAND

##### Resource rise in England

In addition to the decline in the College's "unit of resource", the wider competitive context in which it operates has also changed to its relative disadvantage. In particular, the resource of the competitor institutions in England has been strengthened. Two factors account for this. First, the switch to the high-fees policy in England succeeded in delivering an increase in teaching income for the specialist institutions because the gain from the fee increase exceeded the loss from the fall in grant. Second, as a result of a review by HEFCE of the funding of specialist institutions, the English conservatoires received an increase in funding for 2016/17.

##### Review

The increase in grants in England followed a testing assessment of the eligibility for funding of the specialist institutions. The criteria for premium funding included "reputation for delivering world leading teaching". Several institutions lost their funding, but none of the independent conservatoires.<sup>17</sup> A new methodology for the premium funding was also introduced as a result of the Review. This involves a formula-based allocation of a premium grant (£8,000) paid to a maximum quota of 500 FTE students in each qualifying institution. The premium grant applies to UG and PG students equally. It replaces the previous "institution specific" allocation, which, whilst relating to historic levels of controlled numbers in its size, no longer involved a student-quota element. Additionally, the high-cost-subject allocations paid to all UG (£250) and PG (£1,100) students in subject price group C1, which includes the "creative arts and design", continue as before [Table 20]. The quota means that the maximum premium grant which can be awarded to an individual institution is £4 million.<sup>18</sup>

##### Fees-only students

As with the College, the English conservatoires now recruit extra Home/EU students above the premium quota total on a fees-only basis. Home/EU students at English conservatoires average 694, compared with the premium quota maximum of 500 FTEs. It will be noted that the new English funding methodology is in some respects not dissimilar to that operated by HEFCW, though the premium rates differ considerably, £8,000 in England and £3,442 in Wales.

##### English unit of resource

In supplementary evidence to the Review, HEFCW submitted an estimate of the teaching resources of the conservatoires in England in 2016/17. This is based on data supplied by HEFCE. As discussed above, the calculation excludes overseas students and their fees, and concentrates on Home/EU students for whom the teaching grants are provided. The unit of resource is given as £15,467 per student. This combines the premium grant, the high-cost allocations, and the fee income. It should be noted that the calculation of the "unit of resource" includes an estimate of postgraduate fees at £9k, that is, similar to the undergraduate fee. This is an acceptable assumption, though it probably leads to some underestimation of the income from PG fees and, accordingly, of the overall "unit of resource" in English conservatoires.

##### Shortfall

Taken together, the two developments in England increased the "unit of resource" for Home/EU students between 2011/12 and 2016/17 by some 8% to £15,467. This contrasts sharply with the fall in the "unit of resource" for Home/EU students at the College of 16.1% over the same period, to £11,721. As a result, the shortfall in the College's "unit of resource" enlarged in relation to the English conservatoire position, to £3,746 per home/EU student, a difference of 24.2%.

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<sup>17</sup> Several newcomers were also admitted to the list of funded specialist institutions, including the National Film and Television School and the Guildhall School of Music and Drama. The latter's premium funding had hitherto been provided by the City of London. The Review also resulted in the Royal Central School of Speech and Drama's institution-specific funding targeted allocation being brought into line with the other schools in the system.

<sup>18</sup> This figure can be modified downwards in some cases by a rate that is linked to the average total income of the institution.

Teaching resource per home/EU student, in RWCMD and English conservatoire comparators<sup>a</sup>

	11/12	16/17	% change 11/12-16/17
	£k per home/EU FTE		
English cons	14,198 <sup>d</sup>	15,467	+8.2
RWCMD	13,963	11,721	-16.1
Difference	-235	-3,746	
% diff	-1.7	-24.2	

Source: English conservatoire figures for 2016/17 from HEFCW, using HEFCE data, and for 2011/12 estimated from management accounts; RWCMD figures from management accounts.

<sup>a</sup> RAM, RCM, TL, RNCM, RCSSD, CDD, and GSMD.

<sup>b</sup> Excludes RCSSD and GSMD.

iv. COLLEGE FINANCES

First deficit

It is important to understand the impact of the reduced teaching resource on the finances of the College [see table below]. As recently as 2013/14, the College was able, because of the rise in income that year, to make both long-needed investments in teaching and other pay, and deliver a major surplus. A similarly strong result was achieved in the following year. But in 2015/16 the threat to the viability of the College as a provider of conservatoire training was already evident in the underlying deficit of £645k projected for that year. This was covered in part by the "mitigation funding" of £466k, made available in 2015/16, which left an operating deficit of some £179k. In fact, it proved possible to plug the gap in the operating deficit, as a one-off, with an emergency injection of private funding from a legacy.

RWCMD income and expenditure

	11/12	12/13	13/14	14/15	15/16	16/17 <sup>a</sup>
	£k					
Income:						
HEI grant & fees:						
Home/EU	8,029	7,752	9,083	8,154	7,955 <sup>b</sup>	7,396
Other	663	907	1,037	1,172	1,431	1,716
Total	8,692	8,659	10,120	9,326	9,386	9,112
Other activity	1,857	1,962	1,539	1,598	1,774	1,766
Private income	-	150	145	623	928 <sup>b</sup>	1,002
Grant release	551	476	392	384	209	169
Total	11,100	11,246	12,196	11,921	12,297 <sup>b</sup>	12,049
Spend:						
Teaching staff	3,632	3,571	3,914	3,939	4,194	4,366
Other staff	2,585	2,685	2,877	3,084	3,236	3,401
Non-staff	3,093	3,254	3,379	3,200	3,398	3,835
Interest & dep	1,550	1,509	1,542	1,501	1,147	1,307
Total	10,861	11,019	11,712	11,722	11,975	12,909
Surplus/deficit	+240	+228	+484	+199	+322 <sup>c</sup>	-860
HE student FTE	622	614	627	641	665	717

Source: RWCMD 12th-month management accounts.

<sup>a</sup> Forecast outturn at 30 November 2016.

<sup>b</sup> Includes £466k mitigation funding.

<sup>c</sup> Includes emergency injection of £500k private funding.

2016/17

The sharp cut in teaching income for 2016/17 represents a challenge to the College. Pending the outcome of this Review, it has chosen to continue fully delivering its conservatoire training, despite

lacking the level of grant needed to support the role. As a consequence, it was in November 2016 projecting a deficit for the year of £860k, as shown in the table above.<sup>19</sup>

Although this represents a serious situation, it is noted that the College is supported in the short term by its cash reserves, amounting to £5.2 million at the close of the previous financial year. However, it would be counterproductive for the College, as it did in 2015/16, to cover the 2016/17 deficit arising from underfunding, with private funding from its own resources. Furthermore, another deficit of this order in 2017/18, would both put the College in breach of the terms of its commercial loan and would also reduce the cash reserve to a level below that necessary to repay the interest-free loan from the Government/HEFCW (see Section v below).

### Limits

It is clear that no relevant solution to a deficit on this scale could be found by the College within these reduced resources. The various possibilities were reviewed. The College's success in raising private funding is not available for diversion to core revenue support. It is fully needed elsewhere, principally for student scholarships and investment in pre-18 programmes, as well as various supplementary aspects of teaching. By the same token, recruiting additional students would only diminish the intensity and dilute the quality of the training. Similarly, there is no scope for more back-office economies without also damaging the training. All the evidence shows that the College is already run very economically and takes full advantage of the opportunities for sharing services and joint purchases in its relationship with USW.

### Recast

On a number of occasions, the College has examined a major recasting of its operation by rebalancing its programmes or reducing the highest-cost elements. There appears to be no reason to doubt the conclusions of these previous exercises that this would involve damaging shrinkage or critical closures, which would be strongly resisted today by employers in both the creative industries and the cultural sector.

### Cost study

The USW commissioned a report in 2014 on the costs of conservatoire training in the UK. This detailed study benchmarked the College against three comparator schools, using 2012/13 data. The report showed that the College's spend-per-student on higher education was 22% below the comparator mean. This was explained by a combination of lower unit funding and the diversion of teaching resources to servicing the exceptional debt burden carried by the College. Despite this "shortfall" in resource, the College had found a way of making progress by achieving remarkable economies in its administration and by effective targeting of its teaching spend on key priorities.

### Sustainability

The benchmarking study<sup>20</sup> had already warned in 2014 that the College was at risk from its below-average spend on higher-education students, and that further cuts to the resource would jeopardise its standing as an international conservatoire. USW's evidence to this Review forcefully reiterated this point. Eliminating a deficit on the scale projected for 2016/17 would involve reductions to teaching hours. Such a scenario was examined in the benchmarking study. Building on that work, it seems that the cuts to teaching required to eliminate the deficit would be in the range of 21% to 32% in drama, and 35% to 55% in music. Cuts of this order would be so damaging that the conservatoire-style training could not be sustained.

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<sup>19</sup> The College was additionally at risk from uncertainty about the final level of the ESP grant budgetted at £1,645k for 2016/17. The Welsh Government has now issued a revised remit letter for 2016/17 which confirms the withdrawal of £21.7 million from the HEFCW budget to fund overspend on the tuition-fee grant. It also announced an additional allocation of £20 million with which to address four priorities in the higher-education system, of which the closest to the dilemmas facing the College is the "strategic development fund to promote sector capacity and ability to meet strategic challenges and change".

<sup>20</sup> The study compared in detail the unit costs of the College with those of three equivalent UK specialist institutions, the Royal Conservatoire Scotland, the Guildhall School of Music and Drama, and the Royal Academy of Music. In setting up this study, it was agreed for reasons of commercial confidentiality not to disclose the input data of any of the individual institutions contributing to the work.

## v. REQUIRED RESOURCE

### Approach

Comparison with the rest of the UK must be the starting point for determining the appropriate level of resource for the College if it is to compete with its peers outside Wales and flourish in the fast moving and keenly competitive world of the conservatoires. This consideration is at least as important now as it was when HEFCW first set up its premium funding system in 2001/02. Following this precedent, the simple way to put the College's resource on the required footing would be to mirror the resource available to the conservatoires in England in 2016/17. The means of doing this are set out below.

### Student numbers planning figure

In order to calculate the required uplift to the expensive subject premium, an appropriate higher-education-student number target for the College is first needed. A planning figure of 620 FTE Home/EU students is proposed for 2019/20. This is below the current recruitment of 631 FTEs and somewhat above the 2015/16 recruitment of 588 FTEs. A planning figure of 620 FTE Home/EU students would give the College a new balance point which would both consolidate the strengthened core position in music and drama, and, with some other adjustments, give room for the recommended launch of contemporary dance. The indicative balance of UG and PG is 540 and 80. Overseas recruitment is assumed to be at least 85 FTEs, which would consolidate the strong recent growth in this area.

### Premium uplift options

Three options are presented for mirroring the resource available to the independent conservatoires in England. An uplift in the premium funding is calculated in each case. The resource calculations combine the existing premium with the proposed uplift and an assumption of £9,000 fees for both UG and PG programmes. They are in 2016/17 prices. As established above, the figure for the required "unit of resource" per Home/EU student is £15,467.

Option 1: match English "unit of resource":

- premium: uplift £2,368k, current £1,642k, new total £4,010k;  
student number target: 620 FTE  
this option mirrors the targetted "unit of resource" of £15,467 per student with 620 FTE Home/EU student for the College; this puts the College on a broadly competitive footing with England and enables it to deliver the recommended curriculum development and programme investment;

Option 2: postpone launch of contemporary dance:

- premium: uplift £2,109k, current £1,642, new total £3,751;  
student number target: 580 FTEs;  
this postpones the launch of contemporary dance and models a student body of 580 FTEs with the targetted "unit of resource"; it protects the position in music and drama but omits an important cultural-development investment opportunity;

Option 3: position College above English "unit of resource":

- premium: uplift £2,847k, current £1,642, new total £4,489;
- student number target: 620 FTEs;  
this option provides the College with resourcing above the UK average, as was done in 2001/12; it would give the College a major competitive edge over England.

Whilst Option 3 would deliver a major advantage for the College, such investment may be less necessary now than it was in 2001/02. This Review favours the prudent Option 1, of raising the expensive subject premium from £1.64k to £4.01k. This would enable the College to achieve a fully competitive balance of provision and secure its world-class standing. Option 2 represents a false economy which would narrow the relevant ambition of the College, and postpone an important investment opportunity; it is not recommended.

### Phased premium uplift

It is an urgent matter that funding is made available in 2016/17 to enable the College to return to a balance in income and expenditure. This will absorb some £0.9m of the proposed uplift. Thereafter, it is proposed that the remaining £1.4m premium increase be phased-in between 2017/18 and 2019/20, during which period the College would achieve a new sustainability and a fully competitive operating position. The specific needs to be addressed with the proposed premium increase include programme reinvestment in drama and especially in music (a need previously identified in the cost benchmarking

study), curriculum development (initially in contemporary dance), some strengthening of administration, and a return to planned surpluses, which reinforce sustainability.

### Methodology

Without getting into the detail of HEFCW's expensive subject premium funding methodology. It can be observed that the proposed uplift under the preferred option could be achieved by simply following the HEFCE approach and setting a quota of 500 students, who would each receive a premium of £8k. This would be close to the HEFCW's existing practice. But it should be noted that the HEFCE quota relates to both UG and PG students, and, for reasons of preserving comparability, especially in relation to PG fees, HEFCW may wish to consider adopting the same approach. In fact, that was its own previous practice in relation to the College. The expectation would be that the College would recruit, as now, above the premium quota, up to its student-numbers target.<sup>21</sup>

### Diamond Report

The Diamond Review of Higher Education Funding and Student Finance Arrangements in Wales was published in September 2016, and the Welsh Government responded positively to the proposals. The Review panel had the benefit of a briefing from Sir Ian Diamond which gave insight into his reasoning and recommendations before the report was finalised. This Review welcomes Sir Ian's work and the principal proposal which will release resources for new priorities in higher education. It supports the new maintenance proposals, which, as Sir Ian explains, are in line with the progressive approach characteristic of Wales. We also note his support for the concept of the expensive subject premium and welcome its proposed reinstatement for stem subjects. Diamond also proposed the extension of the expensive subject premium to first-year taught postgraduate programmes in high-cost subjects. Though this has now been ruled out in the Welsh Government's response to the report, we believe it still is pertinent to the specific situation in relation to the College, especially the importance of maintaining parity with England.

### Initial package

The provision of the appropriate level of extra funding for the College would be a natural priority for the 'Diamond dividend', but it is understood that this is unlikely to come on stream before 2019/20 at the earliest. Accordingly, it will be for the Welsh Government to find from available resources the funding to deal both with the College's projected deficit in 2016/17<sup>22</sup> and the first stages of the roll-out of the increase in the premium funding. It would be unreasonable to expect the College to cover a deficit on this scale, and not of its own making, from its own resources. In this respect, there could be merit in exploring, as one part of an initial funding package, a Welsh Government "conservatoire grant", with contributions from more than one department. This would reflect the value of the College's broad impact on economic, cultural, and social affairs, as well as its core role in training and education.

### College savings

At the beginning of the 2016/17 financial year, the College held a cash balance of £5.2 million. Some £3.75 million of this was earmarked for paying back the interest-free building loan from HEFCW, which is timed to commence in 2018/19. The College also has a commercial loan of £7 million in relation to the building project, the servicing of which absorbs some £355k of expenditure in 2016/17.

### Write-off

In the context of the other UK conservatoires, it is a unique situation that such a debt, arising from a building scheme, should be loaded onto an institution of this size. It would be appropriate to address this anomaly as part of the Review, since a solution could make a contribution to achieving the resource required by the College. We suggest that the Welsh Government might wish to consider whether the interest-free loan to the College via HEFCW could be written off or at least extended for a significant period. This would enable the College to use for other purposes the substantial sum it has earmarked for repaying the loan. The purposes might be either to build the College's endowment or to form part of a debt-reconstruction package in relation to its building-related commercial loan.

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<sup>21</sup> Alternatively, HEFCW may wish to consider whether there might be merit in expressing the premium in relation to a full planning total for the Home/EU students enrolled for conservatoire training at the College. This would have the advantage of removing the fees-only anomaly whereby premium funding is confined to a subset of students. In this case, fees-only recruitment on the relevant programmes would be confined to tolerance bands around an agreed control total.

<sup>22</sup> The Review is pleased that HEFCW, in agreement with the Welsh Government, was able to assist in this in 2016/17.

## "Brexit"

We have not looked at the impact of "Brexit" and related international developments on the College's recruitment of students from the rest of the EU. Whilst the uncertainties are real, an institution such as the College, positioned strongly in a specialist market, adept and experienced at adjusting its provision and, with flexibility in key areas of its costs, is well placed to navigate a way through. Some solutions may require access to the use of bigger scholarship funds. This is another reason why it is important that the College's energies be focussed on a sustainable future as an autonomous national conservatoire of Wales, as recommended in this Review (see Chapter 4).

## vi. CONCLUSIONS

### Considerations

The current funding arrangements for the College put the future of Conservatoire provision in Wales at risk and with this the extraordinary record of achievement by the College in recent years. It raises the question whether Wales has any need for a national conservatoire. In this respect, we take particularly seriously the evidence received from key employers in the creative and cultural industries, including the Chair of the Welsh Government's Creative Industries Sector Panel, who advised that any loss of the capacity and capability of the College would be "a significant blow to high-end film and TV drama production in Wales, and to its fast-growing contribution to the Welsh economy".

### Public value

The College is widely admired from many standpoints, not least for the considerable public value it delivers for Wales, as described in Chapter 2 and summarised as follows:

- acting as a major source of aspiration for young Welsh performers;
- identifying and developing Welsh talent;
- serving as a major driver of Welsh culture and Welsh artistic success, including the training of Welsh-speaking actors and other performers;
- maintaining a strong reputation externally and communicating a positive international image of Wales;
- attracting international talent to Wales, in terms of students and teachers, who boost the country's cultural capability; and
- making a vital economic contribution in training for the TV-and-film-drama sector, and as a major factor in securing inward investment into the sector.

The evidence received by this Review overwhelmingly argues in favour of retaining the College and of building further on its exceptional contribution. We conclude it would be damaging and self-defeating in this area of strong Welsh national achievement to lose the College and to do anything other than work to a world-class standard in securing its future. At a time of funding constraint, the best approach should be to invest in the areas of proven excellence and success. The College is such a case.

### Recommendations

Accordingly, we recommend that the College should receive additional revenue funding of some £2.36 million a year built up over a three-year period from 2017/18. Together with the existing premium funding and the tuition-fee income from Home/EU students, this will provide the College with the core resource it needs to function in line with its competitor organisations in other jurisdictions. We also recommend that the Welsh Government/HEFCW give consideration to writing off its interest-free loan to the College.

## 4. RELATIONSHIPS

### i. CONTEXT

The comparison of the College with its peer group of conservatoires in the rest of the UK and abroad has been central to the funding question addressed in this Review. The same comparison raises the question of the preferred institutional setting for delivering the best outcomes in this kind of education and training. The aim of the Review is to ensure that Wales can fully benefit from its conservatoire provision and so this is a pertinent factor to consider, given the distinctive institutional ethos and specialist conditions required for this type of education and training. The chapter examines the implications of this for the current relationship of the College with the University of South Wales, of which it is a wholly owned subsidiary.

#### Standard format

The comparisons show that conservatoire provision is overwhelmingly delivered in specialist institutions structured as autonomous entities. This applies, as previously described, in the UK and also internationally, for example, in France, the Nordic countries, in the Netherlands, Germany and, in a different funding context, the USA. In the case of Germany, for example, there are 24 music *hochschulen*, funded by the German states as autonomous institutions, equivalent in status to universities, but with an average of 490 students. In the UK, the eight other premium-funded conservatoires operate as autonomous organisations, with one exception, which is described below. Three are structured as limited liability companies, two as Royal chartered corporations, and two as higher-education corporations, under the terms of the 1988 and 1992 Acts. The Royal Conservatoire Scotland, the closest comparator in role to the College, is one of the limited liability companies.

#### Autonomy

Autonomy in this context means that the boards of conservatoires have ownership of, and exercise full control over, their own institution, driving strategic development, safeguarding and managing their own assets and reputations, engaging directly with their public and private stakeholders on all matters, including funding and fundraising, and taking all the decisions about appointments to key positions such as board memberships, the chair, and the principal. It should also be noted that the role of the boards in these specialist institutions takes on a particular form in that they usually become closely engaged with the life of their organisations. This is shown not least in attending school events and in closely following the progress and success of individual students. They also work to position their institutions in public life and to maintain high-level contacts with the performing-arts sector and the creative industries they serve, as well as engaging actively in fund raising and in leading on private giving.

#### An exception

The Guildhall School of Music and Drama is the partial exception to the pattern described above, in that it is owned by the Corporation of the City of London, its founder in 1880, and until 2006 its sole principal funder. When the School began to receive central-government funding in 2006, in an agreement between the Corporation and HEFCE, the governance of the School was changed so that it could be designated as an higher education institution (HEI) and function as a self-governing, independent organisation, the board of which appoints the chair and principal and the independent members of the board. The principal of the School reports to its board and, as designated officer, is directly accountable to HEFCE for its public funding and its student experiences and outcomes. The significance of this example is the emphasis given to the self-governing principle in what is a somewhat arcane structure. The matter is made easier because the City is not in itself an HEI and has no competing interests in higher education.<sup>23</sup>

#### Best option

Chapter 1 of the report describes how conservatoire training focusses on the single task of preparing young artists to enter the performing professions. The stand-alone, self-governing institutional format is favoured everywhere for conservatoires because of the distinctive nature of the training, which differs greatly in detailed practice from the rest of higher education. The difference is not a nuance but a fundamental and profound matter which translates into the distinctive institutional ethos of the

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<sup>23</sup> There is more on the governance of the Guildhall School in Appendix 4 of the report. Another example of an unconventional arrangement aimed at protecting the self-governing principle is the Conservatoire for Dance and Drama. This brings together eight wholly independent schools to perform on their behalf joint functions, including the management of the funding relationship with HEFCE. In this model, the "affiliate" schools remain independent, self-governing entities which participate in the arrangement at their own discretion. There are lines of accountability from the principals, as designated officers of each affiliate, to the CDD designated officer.

conservatoire, set by the particular rhythm of practice, rehearsal and performance, and into the focussed expectations and ambitions of its students.

It is generally agreed that these conditions are best realised in self-governing, specialist institutions which can tailor the curriculum, teaching, and performance opportunities and manage the deployment of all aspects of the institution's resources so as to deliver the best outcomes for the students. This control gives the agility to respond quickly to sector changes and new opportunities. Such bodies can also best maintain the close institutional engagement with the music and dance professions which the students aim to join and are also the major source of staff. The Review noted the views of employers from the performing organisations and creative and cultural industries that institutional autonomy is an essential requirement for the College in fulfilling its role.

## ii. CURRENT POSITION

### Subsidiary

The College is currently constituted as a limited liability company and a registered charity, with the University as the sole member and shareholder of the company. This makes the College a wholly owned subsidiary of the University of South Wales, and so it does not conform to the standard governance format for a premium conservatoire. The College does have a measure of operational freedom over its financial affairs, the appointment of staff, the admission of students, and the management of its buildings, and so the arrangement is not a merger. But it does fall well short of providing full autonomy for the College. One consequence is that the College does not have a direct relationship with the Funding Council since its public funding is routed through the University, and for some public-reporting purposes the College is merged with the University and disappears from the record. Another consequence is that the College is required to use some University systems which do not reflect the operational needs of conservatoire training.

### Consequences

The implications of this subsidiary status for the College are felt most keenly at the top of the organisation. The University appoints the directors of the College Board, and, as sole member, it has de facto a veto over any decisions of the board. As a result the College Board cannot be said to fulfil the usual expectations of a conservatoire board. Similarly, the principal of the College reports to the University Vice Chancellor, and not to the College Board, which further increases the control of the University over College affairs. The University emphasised to the Review that the College Board needed to be understood as a subsidiary of the University and its board, and was expected to concentrate on basic fiduciary matters as its principal responsibility.

### Previous independence

It should be recalled that, for 14 years from 1993 to 2006, the College was, in fact, an independent higher education corporation (HEC), and was directly funded by HEFCW. It became a full member of the University of Wales in 2004, which had already validated its degrees. Founded in 1947 as a further education college, it led the first phase of its life in various formats under the auspices of, and funded by, local authorities. During its time as an HEC, the College was, according to those in charge at the time, well run and was able to develop its considerable vision to join the ranks of world class conservatoires. In this, it was constrained by inadequate buildings and by its inability to accumulate financial reserves.

### "Strategic alliance"

The College switched to the current institutional structure in 2007, when it entered into a "strategic alliance" with the University of Glamorgan, one of the predecessor institutions which merged to form USW. The College's main intention in taking this step, which involved losing its status as an independent HEI (and hence direct funding), was to achieve its developed aim of delivering a new building. It accepted the advice of HEFCW that it needed to find an HE partner with a stronger financial base in order to receive funding for the ambitious building project. This reflected the Welsh Government's policy at the time to reduce the number of small HEIs in favour of larger entities constructed from mergers.

### Understandings

Several matters other than the building project were mentioned in planning the "strategic alliance". In retrospect, certain of these seem neither to have been regarded as, nor proved to be, central to the "alliance". These included more academic collaboration on courses. Indeed, the reverse appeared to happen in this instance and, for example, as a measure of specialisation between the institutions, the



College's well established rock and pop strand was passed across to the University for further development. Following the 2007 merger, which was conceived in a spirit of good will, misunderstandings appear to have been left unresolved, with the College believing that the intention was that its autonomy would be fully protected within the "alliance". Unsurprisingly, both the College and the University acknowledge that there were some tensions subsequently in relationships.

#### University contribution

Within the "strategic alliance", the University was able to make a substantial contribution to the progress of the College. Most notably, the College's new building completed in 2011. As planned, the public funding for the project was provided through the University, which also underwrote the College's successful funding appeal, and devoted match-funding obtained from HEFCW to the project. Other financial contributions from the University included some initial co-funding for additional premium places at the College and some phased pump-priming for the additional operating cost of the new building.

Today, the University validates the College's degrees, which it took over from the University of Wales, and also delivers the function of the Clerk and the Company Secretary, both without charge. It further advises to the College in a number of other areas, including Prevent, the Borders Agency, and Human Rights and Equalities. Whilst the College prepares and submits its own returns to certain external regulators, in other cases the College's returns are consolidated into the University's own returns, such as those to HEFCW and HESA. Within the University group, the College contracts various services from the University, such as human resources, occupational health (from Merthyr Tydfil College), and disability assessments, and it procures jointly with the University other supplies of which the largest is energy. Overall, the Review concludes that the University, during its stewardship of the College, made a positive and significant contribution to the development of the organisation.

### iii. REINSTATING AUTONOMY

#### After a decade

In looking at the College a decade on from the formation of the "strategic alliance", it is timely to consider whether to reestablish the autonomy of the institution. The Review noted the strong opinion of seasoned observers of the College and of organisations and individuals within the cultural sector that this would be the right step and the moment for it was right. Of course, the context today is quite different from that of a decade ago. The College has changed, as has Wales, the latter with the growth of the creative industries and of a number of new national cultural institutions. As for the College, far from being based in buildings in a poor state, it now occupies outstanding premises which are a great draw for students and staff alike, and it has undergone a transformation in its institutional standing and capability. This is in no small part due to the [strong] "strategic alliance" with the University, without which it is doubtful the College would have been able to secure its current success.

The College has gained the respect of its peers in the rest of the UK and opened up important international links and markets. Its national role has been strengthened through its transformed relations with the national performing companies, such as the Welsh National Opera and the BBC National Orchestra of Wales, and with the creative and cultural industries in Wales. It continues to be a resource for the whole of Wales by delivering important programmes in pre-18 intensive training, addressing outreach and access in the arts, in promoting the most ambitious public performance programme of all UK conservatoires, and in its partnership with government in key policy areas.

#### National institution

There appears to be no reason why Wales's national conservatoire should not enjoy sector-standard governance as a self-standing, independent entity, like that enjoyed by the Royal Conservatoire Scotland and its other peer institutions in the sector. Indeed, it is anomalous that a recognised national institution should be in the possession of another organisation. Reinstating the College's autonomy would rectify this anomaly, and also remove various external misunderstandings which the arrangement has caused on the part of public bodies, potential students, well-wishers, and private donors.

#### College's long-term security

Reinstating the College's autonomy would hugely strengthen its future prospects by:

- placing the College on a level footing with its peers and competitors;
- enabling the College to recruit people of the highest calibre to senior positions on the board and in management from the widest field of candidates/;
- benefitting from a board which could fulfil the usual expectations of an institution of this kind with regard to its role and skills;

- empowering the College to plan its own future and take full responsibility for its own direction of development; and
- clarifying the purpose and use of all the College assets, and removing any constraints on the success of its private fundraising activities.

Certainties on the key matters, independent governance and direct funding, are needed both by the College and by the Welsh Government, not least to protect and foster the considerable public-value contribution which the College already makes. Above all, re-establishing the College as an independent HE institution is, in the view of this Review, the best way to safeguard its long-term security and its commitment to, and delivery of, the prime conservatoire role.

#### IV. PRACTICALITIES

##### Delivery and cost

The Review has given much thought to the viability of the College as a self-governing body and to how the return to autonomy would be achieved. It considered the necessary modifications to the structure of the existing company, the changes in the College's responsibilities, alternations in operating requirements, and the cost implications of these. This consideration drew on the governance, operating systems, and the financial models of the other conservatoires in the UK, and also examined developments in the higher-education reporting and regulatory framework. The Review concludes that the changes required, whilst important, do not represent a major step up from what the College continues to do for itself today, and could be delivered, with appropriate support, safely and relatively quickly.

##### Business model

As a self-governing conservatoire, the College's financial operation would follow the usual, small, specialist institution business model. This differs considerably in both patterns of income and spend, and operating characteristics, from that of the bulk of the higher-education providers, which are much larger organisations [Table 23]. The conservatoires are compact organisations, benefit from operating in a highly specialist market. This protects them from the wider vicissitudes in student demand affecting parts of higher education. Their focus on essentials in a specialist field delivers economies in administration, support services, and procurement. The evidence suggests that the business model followed by the premiere conservatoires in the UK is sustainable and safe.

##### Changes

The College currently receives some services in kind from the University, as well as participating in a number of arrangements with the University for charged-service deliverables and joint procurement. Moving to autonomy, these arrangements with the University would be subject to negotiation, adjustment, and some replacement. The College will need to replace services-in-kind with charged provision of its own. The University and the College may wish to continue some of the commercial arrangements, though re-tendering and seeking equivalent-or-better deals with other, external partners could be part of the mix. The College already has external procurement arrangements of its own, independent of its links to the University. An outline assessment of the net extra cost to the College of autonomy, including additional staffing, suggests an affordable figure. In this context, and among other considerations, the College would expect to raise its private-funding targets.

##### Funding

The financial viability of Wales's national conservatoire as a self-governing institution will depend fundamentally on the resolution of the funding crisis, as proposed in this Review, with an additional award of revenue funding at a level which makes the College's provision competitive with that of its peers in the rest of the UK. This is the necessary step for returning premium conservatoire provision in Wales to sustainability. A related point is for the Welsh Government to give consideration to writing off its interest-free loan to the College, which was linked to the building project. This would also enable the College to use the substantial sum which it has earmarked for repaying the loan to make financial improvements, for example, in its balance-sheet position.

## v. CONCLUSIONS

### Considerations

There is no reason in principle that the College should not run successfully as a stand-alone institution. In the opinion of this Review, the stand-alone model is the best format for this kind of institution. There is no question that the merger and the "strategic alliance" with the University has served the College well. However, in order to position the College to succeed most strongly in the future it no longer seems appropriate or necessary that the College should continue to be in the ownership of another organisation.

### Recommendations

Accordingly, I recommend that the autonomy of the College be reinstated and that the University of South Wales and the College, with the support of the Welsh Government and HEFCW, should work together to bring this about. I also recommend that consideration should be given to changing the name of the College's to 'The Royal Conservatoire of Wales', and that its national role, as outlined in Chapter 2, be further developed.

## 5. CURRICULUM DEVELOPMENTS

### i. MUSICAL THEATRE

#### Two ideas

The Review was asked to consider possibilities for future curriculum development in conservatoire provision in Wales. In particular, mention was made of undergraduate musical theatre and of vocational dance training in performance and choreography. The Review received positive evidence on each of the two ideas, both of which merit serious consideration as extensions to the College's current programmes.

#### Existing MA in musical theatre

The College already runs an MA in musical theatre which started in 2012/13. This recruits well in Wales, the UK, and overseas. It delivers a good general employment outcome, with various successes in musical theatre. By the same token, the College also provides musical-theatre acting and voice training to undergraduate Year 4 singers.

#### Comparators

Three other UK conservatoires run MAs in musical theatre, the Royal Academy of Music (which also has a PG Dip in music theatre directing), the Royal Central School of Speech and Drama, and the Royal Conservatoire Scotland. The latter also provides a BA in music theatre, as does Trinity Laban. The three CDD-affiliate drama schools address this need with options within their undergraduate acting courses, either musical theatre as such (BOVTS) or by means of various combinations of singing and movement (LAMDA and RADA). Much of the specialist demand for musical-theatre training is met by the DaDA-supported schools, especially Bird College, Mountview College, Arts Ed London, Performers College, and the Laine Theatre Arts. Approaches vary and the latter, for example, lays the emphasis on training in dance.

#### Musical theatre in Wales

Arts Council Wales explained to the Review how various elements of a musical-theatre production infrastructure are emerging in Wales. The Wales Millennium Centre has established a new in-house production capability, and Welsh National Opera (WNO) is increasingly involved in co-producing musicals, recently *Sweeney Todd* and *Kiss Me Kate*. Further demand for music-theatre skills also arises from S4C and the BBC in Wales. The producing theatres in Wales show a growing interest in musical theatre, in which the singing standards are said to need improving. Wales's strong amateur drama tradition includes much interest in musical theatre, and provides a range of opportunities for young professionals.

#### Further testing

Whilst the College argued that the existing infrastructure could be sufficient to support an undergraduate degree, the Review concluded that somewhat stronger supporting evidence was needed on the employment potential in Wales over a longer period before beginning to make plans. Meanwhile, it would be sensible for the College to continue addressing the needs of musical theatre through the combination of its existing MA and the options within the singing and possibly, additionally, the acting courses, as well as keeping under review the market position.

### ii. CONTEMPORARY DANCE

#### Contemporary dance

The idea of introducing conservatoire training in contemporary dance into Wales was raised in respect of the College some ten years ago, but the dance ecology in Wales was thought then to be insufficiently strong for the training to be a success. There are good precedents for a development of this kind. The Royal Conservatoire Scotland established relatively recently in partnership with Scottish Ballet a modern ballet programme which has proved sustainable. Trinity Laban was formed by a merger between the Laban Dance Centre, specialising in contemporary dance and dance education, and Trinity College of Music. The Conservatoire for Dance and Drama has four dance affiliates, London Contemporary Dance School, the Rambert School of Ballet and Contemporary Dance, based in London, the Northern School of Contemporary Dance, based in Leeds, and the Central School of Ballet also in London, which teaches ballet and modern ballet.

### Classical ballet

It should be noted that most of the advanced training in classical ballet takes place in the UK in a group of specialist schools preparing young dancers for careers which start young, at age 18 or 19. The Central School of Ballet, within CDD, is one of these schools. The other principal examples are the Royal Ballet School, Elmhurst in Birmingham, Arts Ed in Tring, and Hammond in Chester, all members of the Music and Dance Scheme, and English National Ballet, one of the DaDA schools.

### More favourable context

The dance context in Wales appears stronger today than a decade ago. The following are relevant points:

- starter provision and early-progression pathways have been strengthened, giving better geographic coverage of Wales, with more dance-development agencies and youth and community dance structures;
- though in schools generally the shortage of dance support remains an issue, several sixth-form and FE colleges continue to work well in dance, identifying and nurturing young talent, and feeding strong candidates into conservatoire training;
- Rubicon Dance maintains its impressive full-time, two-year preparatory (foundation) course which also feeds strong candidates into conservatoire training;
- weekly training for intermediate and advanced students has been established in Cardiff by the National Dance Company Wales (NDCW); this sits alongside the annual intensive summer school arranged by Wales's National Youth Dance;
- two national dance companies, NDCW in Cardiff, and Ballet Cymru, in Newport, employing between them some 17 dancers, together with several freelance dance artists and a few project-based companies, constitute a growing community of dance artists based in Wales;
- more dance programming is being delivered by a cluster of dance presenters, promoters, and commissioners, which includes Chapter, Coreo Cymru, the Dance House (home to NDCW within the Wales Millennium Centre), and the Main Stage of WMC itself; and
- NDCW is producing work which tours nationally and internationally and is committed to investing in the next generation of dancers.

### Purpose

An undergraduate programme in contemporary dance is the right genre for the College to choose. Contemporary as a form of dance continues to expand its artistic compass and appeal to growing audiences in the UK and the rest of the world. The purpose of the programme would be to train dance artists for sustainable careers as performers, choreographers, and teachers, equipped with today's essential entrepreneurial and self-managing skills. Part of the underlying mission would be to support and build the dance capacity in Wales. The Chief Executive of NDCW expresses the hope in his submission to the Review that this could result in more Welsh talent becoming involved in the company. In due course, a postgraduate initiative might be added. This could take the form of a small company which would expand the interest in dance, and widen the range of small-scale touring provision in Wales.

### Centre

Arts Council England is investing in Leeds, with links to Newcastle, building on key entities such as Northern Ballet, Phoenix Dance, Northern School of Contemporary Dance, Yorkshire Young Dancers, and, in Newcastle, Dance City, to establish a "Northern dance hub", as England's principal centre for dance development outside London. The addition of conservatoire training to the College would help, with the support of Arts Council Wales (ACW), in a similar way, build Wales's dance infrastructure into a principal UK centre for dance development. This will also add new perspectives and new energy, and be a means whereby talented young dancers from Wales can develop their distinctive artistry and choreographic thinking.

### Support

NDCW, Rubicon Dance, ACW, and NYAW, each expressed strong support in their evidence to the Review for the College's taking this new lead in dance training. The College is able to manage this development within its existing training infrastructure. It will need to identify and support fully the best leadership for this development. A good partnership with NDCW and working together with the other key individuals in dance will be vital to the success of this initiative. The College already has good professional links with NDCW through, among other things, the dancer and designer collaboration, "alternative routes".

### Resourcing

The resourcing of the programme will need to provide for teaching links with the rest of UK and overseas. A professional collaboration with one of the established dance schools might be considered in the start-up phase. It is also important that a wider range of dance programming from elsewhere is available in Wales, which the young artists in training can engage with and absorb. The Review noted that the College is confident that it would be able to fund privately the provision of new dance studios in a new extension to its premises.

### Pathways and other provision

The efforts to strengthen financially the progression pathways in dance in Wales need to be maintained, as does the important work of Rubicon Dance. Introducing an MDS-style scheme, as suggested for music in Chapter 3, would strengthen pathways and access and enable NDCW to extend pre-18 intensive programmes to other parts of Wales. Cardiff Met explained to the Review that it is making a strategic change from training community "practitioners" in its established BA (Hons) in dance in its School of Sport, to dance-educators in a BEd programme. The new dance degree at USW is still at an early stage.

### Numbers

Students for the College's proposed conservatoire provision in contemporary dance should be recruited from the UK and overseas as well as Wales, and from a broad range of backgrounds and experience. They would probably number up to 15 each year. It should be expected that time will be required for the new course both to find its own voice and reputation, and to prove what can be best delivered in and for Wales.

## iii. CONCLUSIONS

### Considerations

These ideas for curriculum development address areas of opportunity for Wales. Both have good precedents in other parts of the UK's conservatoire system, and can be delivered by the College using its existing training infrastructure and links to Wales's cultural system. The College is confident that it can privately fund new studios.

### Recommendation

Since the artistic case for introducing contemporary-dance training at the undergraduate level in Wales is strong, and the context is sufficiently improved significantly to increase the chances of success, we recommend that the College plan to do this during the next three years. This assumes that the College's funding is fully resolved, as proposed in Chapter 3. It should continue to serve the training needs of musical theatre in Wales through its taught postgraduate programme, whilst keeping under review any pressing needs for expanded musical-theatre provision.

## 6. RELATED HE PROVISION

### i. RELATED PROVISION

#### Student numbers

In addition to examining the arrangements for supporting "conservatoire provision" in Wales, the Review was asked to consider the other "related performing-arts provision" in HE in Wales. In 2014/15, in addition to the 715 students attending the College, there were 2,190 on other, non-conservatoire, and performing-arts courses in the Welsh HEIs [Table 25]. Some 1,145 of these were studying drama, 1,020 music, and 45 dance. Seven of the eight universities in Wales offer such courses, of which much the largest provider is the University of South Wales, with 1,030 students, or 47% of the other "related performing-arts provision". Its School of Music and Performance contains 1,030 students, 480 in music and 550 in drama, and forms part of the Faculty of Creative Industries. Student numbers at the other six providers are small, averaging under 200. The Welsh University with no performing-arts provision is Swansea.

#### Range and volume

The character, range, and volume of this taught provision in the performing arts in Wales is broadly similar to that found in the rest of the UK. Indeed, USW explained to the Review that its principal competitors in music and performance are outside Wales, especially Manchester Met, Birmingham City, and Bath Spa. The concentration of this performing-arts provision in Wales is about average for the UK.

#### Music

Wales's taught provision in the performing arts is well differentiated and distributed across the country. The two "academic" music departments in Cardiff and Bangor sit in different parts of Wales, and USW's music provision in Cardiff, concerned with popular and commercial music and music technology, differs from each of the two other music providers in Cardiff. USW is the largest provider of music technology teaching in Wales, which is also available in Trinity St David's in the West and in Glyndwr in the North.

#### Drama

In drama, USW again complements the College's conservatoire provision in Cardiff. In relation to the other drama providers, each links wider study to practice but in different ways. USW places emphasis on practical skills as a basis for exploring different contexts and facets of performance. Aberystwyth uses practice to inform engagement with critical thinking and theory across traditional discipline-boundaries. Trinity St David's courses explore wide contemporary applications and specific creative contexts. Gwydyr has a small performance degree, and the focus of Cardiff Met's dance degree is switching from community practice to dance-in-education.

### ii. PRACTICE

#### Practical options

Whilst these university courses deliver academic education in aspects of the performing arts, they all offer some experience of practical performance skills or other creative processes within the programmes. In some cases, the practical elements are options, not necessarily obligatory, especially when within academic programmes, for example, in music, the emphasis is on history, analysis, and composition. In other cases, the practical modules are central to the course conception and typically occupy from a third to a half of contact time. Practical experience in these areas is used as a basis for engaging in wider study of issues around, and approaches to, performance, its history, theory, and the role of technology.

#### Industry accreditation

The practical emphasis is favoured most by the "1992 universities" which build on long traditions of vocational training in art and design. USW, for example, offers industry-accredited courses which are fully focussed on delivering a particular practical skill. These include BAs in film and television set design, visual effects and motion graphics, and costume construction. These examples address specific needs in the performing arts and the cultural industries, and are furthermore accredited by Creative Skillset. Similarly, USW's BSc in sound engineering is accredited by JAMES.

### iii. ACADEMIC DEPARTMENTS AND CONSERVATOIRES

#### Conservatoire route

The conservatoires provide intensive practice-based training to highly selected students intent on reaching specific positions in the profession. This requires an institutional setting wholly focussed on performance and is the usual route into top positions for performers in classical music, acting, dance, and circus, and for the other careers involved in performance, such as producers, directors, choreographers, designers, and lighting, sound, wardrobe, and other professionals. In contrast, the universities take a broader approach in delivering an academic education. The academic departments in music, for example, offer music theory, analysis, composition, aesthetics, and understanding of music in many cultures and contexts. As for performance options, keyboard proficiency is a traditional support to academic study, and some departments also offer wider performance teaching.

#### Overlaps and alternatives

Whilst the distinctive role of the conservatoires is clear,<sup>24</sup> overlaps can be identified, especially in music, between the provision in academic university departments and conservatoires. And this works both ways, with conservatoires providing some academic modules and universities a measure of performance teaching. Some talented young artists, who go on to successful careers as performers, choose university rather than conservatoire for undergraduate study in order to enjoy a wider academic experience, and not necessarily by attending a music or drama department. University courses in drama, popular music, and dance can provide an environment from which talented performers are identified and enter the professions. In these cases, it is common practice to follow up university with advanced training at a conservatoire.<sup>25</sup>

#### Combining academic and conservatoire study

Cardiff University Music Department explained to the Review that it places more emphasis than most on performance. It allows up to 60% of teaching time to be devoted to this and related activities on the performance option within the BMus. The University of Manchester, in partnership with the Royal Northern College of Music, operate an admired scheme for combining conservatoire and academic study. Manchester students on the "joint course" undertake all their performance training at RNCM, including an extra fourth year. This option is made available only to the most talented and academically able students.

### iv. CREATIVE INDUSTRIES

#### Creative-industries provision

It is relevant briefly to consider the scope and status of Wales's taught higher-education provision for careers in the world of the creative and cultural industries as a whole, a wider concept, of which the performing arts are a part. The creative industries roughly correspond to the HESA category "creative arts and design".<sup>26</sup> Wales's student numbers in this category totalled 8,480 in 2014/15 [Table 24]. Some 1,530 were in film and photo, 3,445 in design and fine arts, and 600 in creative writing, as well as the 2,905 in performing arts. Wales accounts for 6.4% of the UK's total enrolment in "creative arts and design", 34% higher than a UK pro rata distribution according to population, and so in this area Wales can be said to possess a significant concentration of taught provision.

#### Main providers

USW has much the largest commitment to creative-industries education in Wales, with 3,185 students in its Faculty of Creative Industries, 38% of the country's total enrolment [Table 24]. USW reinforces this

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<sup>24</sup> The employment outcomes differ between the conservatoires and universities, the former delivering the overwhelming majority of their graduates into the work for which they were trained.

<sup>25</sup> The place of research also differentiates the conservatoire from the research-based academic department, where the emphasis on formal research structures and processes is a distinguishing feature. Nevertheless, all conservatoires employ research-active staff, who play an active role in the training, and seven of the nine premium-funded conservatoires made submissions to the most recent REF, in 2014, though this involved on average only 10% of their academic staff. Inputs from RWCMD were included in USW's 2008 research assessment exercise, and the College also prepared a submission for the most recent 2014 REF. The conservatoire approach to "research" also involves production, commissioning, and the preparation of performances, in which they engage as laboratories of performance and of teaching practice. The fruits of these activities, as well as their specialist knowledge, are shared widely within the sector, even by those organisations which put less emphasis than others on maintaining formal research structures.

<sup>26</sup> Comprises performing arts, design, fine art, cinematics and photography, crafts, and imaginative writing; "creative-industries" disciplines in other HESA subject areas are architecture, software development, aspects of digital technology, and related parts of the Humanities.



with a "workplace focus" in courses, facilities, and equipment to match, and a range of placements within, and diverse links to, the creative-industries sector in Wales and elsewhere. TSD, with 1,520 students, some half the size of the USW faculty, is the next largest provider in Wales, followed by Cardiff Met with 1,090. Aberystwyth, Glyndwr, and Bangor are smaller-scale providers.

### Competitors

USW's courses cover many of the bases of the creative industries. These include Wales's largest concentration of teaching in media, film, and photography. The film school earned its high reputation at Newport several decades ago, and USW explained that its fashion, interior design, and illustration "recruit particularly strongly". The gaps in the USW provision, product-design, communications, craft, and architecture, are covered elsewhere in Wales. The main competitors, again, are outside Wales, such as the University of the West of England, Bath Spa, Falmouth, and Bournemouth in media, UWE, Bath Spa, and Birmingham City in fashion. Much of USW's teaching takes place in its ATRiuM building in Cardiff, with a new £15 million extension which represents a significant strengthening of creative-industries teaching capability in Wales.

### Broader framework

The universities are one aspect of a broader educational and training framework for the creative industries in Wales. The shape and delivery of the provision and the role of colleges and degrees, apprenticeships, and placements continues to evolve. Much effort is focussed on establishing effective apprenticeship pathways which can blend with existing providers to serve the needs of the sector and function in the long-term interests of trainees.

### Sector skills councils

The two sector skills councils, Creative Skillset and Creative and Cultural Skills, play an important part in articulating the needs of industry, building links to providers, accrediting provision, and encouraging more diverse and appropriate pathways into technical careers. USW has been active in securing course accreditations from both bodies. The Glamorgan and Vale College, one of several with affiliations to USW, was selected as Wales's only "leadership college" for the National Skills Council. Creative Skillset's National Advisory Board has representatives from BBC Wales, ITV, S4C, Pinewood, and other employers, together with USW and the Welsh Government's creative-industries team.

### Concerns

The Review noted that some key employers in the creative industries still struggle to find appropriately educated and trained individuals, and question the value and relevance of aspects of existing training, and of the qualifications awarded. For some observers, the weight of training provision has shifted too far towards higher education, where from an employer's perspective the balance of industry needs and academic demands can seem problematic. Related concerns were described six years ago in the Hargreaves Report, *The Heart of Digital Wales* for the Welsh Government. Subsequently, the need to reform the skills system, and to strengthen the place of vocational qualifications, not least at the tertiary level, has been increasingly recognised. This is compounded by the evidence on the huge variability in the graduate premium, and especially on the low scores in the creative arts.<sup>27</sup> The Review was also warned of the dangers of universities "overselling" courses and exaggerating prospects in specific careers.

## v. CONCLUSIONS

### Funding

The current assumption is that creative-industries teaching, including related performing arts provision, can be delivered within the standard resource arising from the fee of £9k per student. USW explained that this is made possible by some resort to cross subsidy at the faculty level. The College's conservatoire provision is the significant exception to this rule and USW confirmed in evidence that its funding priority was the restoration of the College's premium funding to the necessary level.

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<sup>27</sup> See [gov.uk/government/publications/review-of-vocational-education-the-woolf-report](https://www.gov.uk/government/publications/review-of-vocational-education-the-woolf-report); and J Britton, et al, *How English domiciled graduate earnings vary with gender, institution attended, subject, and socio-economic background*, Institute for Fiscal Studies, April 13, 2016.

### High cost subjects in England

It should be noted that in England HEFCE takes the view that the "creative arts and design" are a high-cost subject area which merits additional grant funding. Currently, per capita grants of £250 are paid for UG students and £1,100 for postgraduates on "intensive taught programmes" in price group C1. The music departments in both Bangor and Cardiff argued that cross subsidy was needed to sustain music teaching and the place of instrumental teaching in the basic curriculum

### Recommendation

In the light of this, I suggest that, subject to the growing recognition of a wider need to reform the skills system, in due course, HEFCW might wish to establish whether any important features of teaching provision in the creative industries, bearing in mind their importance to the Welsh economy, might require, as with the stem subjects, an expensive subject premium to cover the full cost of such provision beyond the tuition fee.

## 7. HEFCW

### i. ROLE

#### Formation

The Higher Education Funding Council for Wales is the funding and regulatory agency for higher education in Wales. It was established in 1992 under the terms of the Further and Higher Education Act 1992. This created separate bodies to fund higher education in England and Scotland, as well as Wales, each of which had previously been funded by one UK-wide Universities Funding Council. The Act also broadened the scope of the university system by allowing some 35 polytechnics to become universities, and it also removed colleges of further education from the control of local authorities.

#### Role

HEFCW distributes funds received from the Welsh Government for teaching, research, and related activities. Given the recent changes to the funding of teaching, its other roles, especially regulation, have become more important. These include regulating the new high tuition fees, under the Higher Education (Wales) Act 2015, which are contingent on requirements in respect of widening access and inclusion. There is still regular contact maintained amongst the funding agencies at the UK level, and, for example, HEFCW sub-contracts its quality-assurance responsibility to the QAA, operating under a service level agreement with HEFCW, though this arrangement is currently under review.

#### Premium funding

HEFCW strongly supported the College's vision, articulated in the 1990s, to develop into a conservatoire of international standing. It commissioned an independent study in 1999, the year in which the Welsh Assembly government was established, into the funding resources needed to deliver conservatoire training "of high quality" in Wales. This looked in detail at the approach adopted towards equivalent activities by the new funding councils in Scotland and England. On the basis of this research, HEFCW introduced the expensive subject premium-funding system for the College in 2001/02.

#### Competitive start

The new funding system acknowledged the high-cost nature of conservatoire training and the need to reflect this in a distinctive funding method. It was also set by HEFCW at a competitive level in relation to the College's equivalents in Scotland and England. The unit of resource (fee + grant) for the College in 2001/02 was £10,250 per student for a maximum of 465 Home/EU students, with a varying mix of undergraduate and postgraduate numbers. This arrangement meant that the College's unit of resource per student was some 5.7% above the level of the 'royal' group of conservatoires in England, and 12.6% above the Royal Conservatoire Scotland (then the Royal Scottish Academy of Music and Drama). This enabled the planned development in the College's standing successfully to proceed. Shortly after this positive step, the College received its "Royal" designation in 2002.

#### Strategic alliance

HEFCW also played an influential role a few years later in the creation of the "strategic alliance" between the University of Glamorgan (UoG) and the College in 2007. At this time, HEFCW believed that attachment to a large institution would give the College more security and strength, and was essential, given the large loan element in the proposed funding of its significant building project, which was agreed as part of the "strategic alliance". HEFCW explained to the Review that the background to the "strategic alliance" in Wales was a "history of small institutions which failed", and so, apart from the other considerations at the time, the College was caught up in HEFCW's general thinking about this particular aspect of policy. The policy in the first decade of this century was "to create fewer larger organisations better able to withstand the vicissitudes of market change in higher education".

### ii. POLICY

#### Sensitivities

After such good work, it is all the more disappointing that, in its approach to funding the transition to the new high fees for the College, HEFCW found itself unable to maintain its previous commitment to expensive-subject premium funding for the College. It is understood that the new tuition-fee grant ate into Wales's higher-education budget and reduced HEFCW's funding, which sharpened the choices it faced in maintaining priorities, including support of expensive subjects. The difficulty was not of

HEFCW's making, and with a budget reduction from £258 million in 2012/13 to £132 million in 2016/17, it was bound to encounter sensitivities.

#### HEFCW's funding strategy

As explained in Chapter 3, despite the reductions to HEFCW's grant-in-aid, it seems the changes to higher education funding, begun in 2012/13, had the intended effect in Wales overall of increasing teaching income for higher education, though admittedly the rise could vary with recruitment (see Diamond). But the outcome for the College was different. The transition process initially drove up the teaching income of the College, with the rise in fees preceding the cut in grants, but by the end of the transition, in 2016/17, the College's teaching resource for home/EU students was substantially lower than in 2011/12. The level was so reduced that it called into question the future of Wales's national conservatoire.

As described in Chapter 3, HEFCW began the funding transition in 2012/13 by cutting the expensive subject premium from £10,130 per student to £9,000. This coincided with the introduction of the £9,000 fee for that year's first-year entry at the College. HEFCW's original proposal for the College during the funding transition was to reduce the expensive subject premium by 50% in 2014/15, and to remove it completely in 2015/16. In the view of this Review, HEFCW's approach failed to understand the specialist character of the College, or to assess the impact of its proposal on its conservatoire status. It is not surprising that the proposal met with strong opposition from both USW and the College and HEFCW reduced the proposed first-stage cut in 2014/15 from 50% to a third.

At that point, a benchmarking study, commissioned by USW, warned that any further cut would jeopardise the College's role as an international conservatoire. The Welsh Government further thought fit to include the protection of conservatoire-type provision in its 2015/16 remit letter. Nevertheless, HEFCW proceeded in 2015/16 to make another cut which reduced the premium to 40% of its 2012/13 level. The result was a reduction in the unit of resource (fee + grant) per Home/EU student, which made conservatoire provision potentially unsustainable within the available funding, as explained in Chapter 3.

#### Puzzle

In recognition that this Review was already under way, the Welsh Government, through HEFCW, made available one-off "mitigation funding" in 2015/16 to HEFCW which was distributed to USW and used in part to support the College's unit of resource. In the following year, 2016/17, no such funding has been made available. In its evidence to the Review, HEFCW stated that "it is essential for Wales's cultural, educational, and social development that it should have a robust and successful national conservatoire". This makes its approach towards funding of the College something of a puzzle, especially since it handled the other instance of an expensive subject premium in Wales, for medicine and dentistry, markedly differently. In the case of medicine and dentistry, the expensive subject premium was cut by 23% from its 2012/13 level, compared with 60% for the conservatoire training at the College.

### iii. CONCLUSIONS

#### Comment

The Review was asked to examine the role of HEFCW in supporting conservatoire provision. During the period in which HEFCW introduced the premium-funding system, its record in respect of the funding of conservatoire provision was sound. It is therefore surprising and disappointing to have to note that, faced with the challenge of the changing funding regime for higher education in Wales more broadly, HEFCW delivered an outcome which was potentially damaging to the College.

#### Hazelkorn

Just before this Review commenced, Professor Ellen Hazelkorn's review, commissioned by the Welsh Government into the "oversight of post-compulsory education in Wales, with special reference to the future role and function of the HEFCW", was published. The Hazelkorn Review touched on a number of issues that are relevant to this Review, including how best to align educational and societal goals. The Welsh Government responded to the Hazelkorn Review in June 2017 in a White Paper setting out proposals to create a new Tertiary Education and Research Commission for Wales which will oversee all post-compulsory education and training in Wales. The White Paper made clear that the functions of HEFCW will in due course, and subject to legislation, be transferred to the new Commission. It is to be hoped that, in taking forward any future strategy for post-compulsory education and training in Wales, the Commission will have due regard to the findings and recommendations of this Review in relation to conservatoire provision and its importance to the cultural life and economy of Wales.

### Recommendation

This Review supports the principle of an arm's length body, such as HEFCW. In the light of the handling of the matter of conservatoire provision, it believes it is important that the new body, whatever the decision on its scope, should be able to drive the implementation of Welsh Government priorities in training and education, as appropriate, across the post-compulsory education system, including in higher education.

## APPENDIX 1

### Terms of Reference

The provision of high quality intensive performing arts courses which focus on practical and vocational performance is crucial to the skills needs of the creative industries and to the cultural life of Wales.

The Royal Welsh College of Music and Drama, a wholly owned subsidiary of the University of South Wales, is the National Conservatoire of Wales and part of the University of South Wales Group. The Royal Welsh College competes alongside an international peer group of conservatoires and specialist arts colleges. Other universities in Wales provide a mix of arts, music, and performance education.

The Review will examine the current arrangements for supporting conservatoire and related performing arts provision in higher education in Wales, including:

- a) the role of the Royal Welsh College of Music and Drama as a national institution, with an international profile, operating with a public good consequence;
- b) the potential for the Royal Welsh College of Music and Drama to promote and support wider access to higher education by learners from less advantaged backgrounds and other under-represented groups;
- c) the place of the Royal Welsh College of Music and Drama working for and with the local and national community to support economic, social, and cultural development with links to and support from relevant industries;
- d) the relationship between the Royal Welsh College of Music and Drama's conservatoire level provision and other higher education provision in related fields in Wales.

The Review will be asked to identify possibilities for future curriculum development, including undergraduate musical theatre and vocational/professional dance training in Wales.

Respecting that internal governance structures and arrangements are matters for individual universities as autonomous institutions; the Review will make recommendations on the future funding of conservatoire and related provision in Wales against a backdrop of significant change in higher education funding, national governance and quality assurance frameworks. The Review will examine the role of the Higher Education Funding Council for Wales in supporting conservatoire and related provision, in parallel with the wider review of the governance and regulation of post-16 education and training in Wales being undertaken by Professor Ellen Hazelkorn.

The Review will be evidence based and inclusive. All relevant stakeholders will be invited to contribute, including current providers of higher education in Wales, the creative industries and the Higher Education Funding Council for Wales.

## APPENDIX 2

### List of parties consulted, evidence submitted and letters received

Submissions were received from the following organisations and individuals, and Lord Murphy had meetings with the named individuals:

Royal Welsh College of Music and Drama, Hilary Boulding (Principal), Scott Allin (Vice Principal) et al  
Royal Welsh College of Music and Drama, Helene Mansfield (Acting Chair)  
Royal Welsh College of Music and Drama, Peter Harris (President of Students' Union) and Brian Weir  
(National Union of Students)  
University of South Wales, Gareth Williams (Chair) and Julie Lydon (Vice Chancellor)  
Higher Education Funding Council of Wales, David Allen (Chair) and David Blaney (Chief Executive)

Arts Council Wales, Phil George (Chair), and Nick Capaldi (Chief Executive)  
Ron Jones, Chair of Tinopolis and of Welsh Government Creative Industrial Panel, and Ed Thomas,  
Three Cliffs Productions  
National Youth Arts Wales, Christine Lewis OBE (Chair) and Gareth Pierce

Music Department, Cardiff University, Professor Kenneth Hamilton  
Music Department, Bangor University, Dr Chris Collins

David Pountney, Artistic Director, Welsh National Opera  
Geraint Talfan Davies, previously Controller of BBC Wales and Chair of WNO

Submissions were received from further organisations and individuals:

National Dance Company of Wales  
Rubicon Dance  
BBC National Orchestra of Wales  
National Theatre of Wales

Canolfan Gerdd William Mathias, Managing Director, Welsh National Opera  
Cardiff Metropolitan University  
Merthyr Tydfil College  
Lord Aberdare

Lord Murphy also met:

Sir Ian Diamond, Vice Chancellor, University of Aberdeen  
Chris Nott, Solicitor, previously Chair of RWCMD (Review Team members only)  
Menna Richards OBE, previously Controller of BBC Wales and Chair of RWCMD  
Dame Janet Ritterman, Chancellor, University of Middlesex, previously Principal of Royal College of  
Music, and RWCMD Board Member

Lord Murphy visited:

Royal Academy of Dramatic Art, Edward Kemp (Principal) and other staff  
RWCMD, Hilary Boulding (Principal), Sean Crowley (Director of Drama), John Cranmer (Director of  
Music) and other teaching staff,  
Dan Howard (Acting Dean, Creative Industries), Jane McCloskey (Designate Dean), and three heads of  
USW schools

Informal consultations were held with:

Edward Fivet, previously Principal, RWCMD  
Professor Veronica Lewis MBE, Principal, London Contemporary Dance School  
Sir Paul Silk, previously Board Member of USW and RWCMD  
Lord Rowe-Beddoe, Pro Chancellor, University of Glamorgan/USW, and previously Chair of RWCMD

## APPENDIX 3

### Tables

#### STUDENTS

1. Royal Welsh College of Music and Drama, HE student numbers, by domicile, subject, and level, 2015/16

	Wales	Rest UK	Rest EU	Rest world	All
	Number				
Drama:					
UG	41	113	6	20	180
PG	12	13	9	11	45
Music:					
UG	91	231	16	20	358
PG	24	44	11	50	129
Arts management:					
UG	-	-	-	-	-
PG	7	6	2	2	17
All:					
UG	132	344	22	40	538
PG	43	63	22	63	191
Total	175	407	44	103	729

Source: RWCMD.

2. Royal Welsh College of Music and Drama, HE students, by domicile, number and percentages, 2014/15 and 2015/16

	Number		Percentages	
	14/15	15/16	14/15	15/16
Wales	150	175	21.0	24.1
Rest of UK	435	411	60.8	56.3
Rest of EU	40	44	5.6	6.1
Rest of world	90	99	12.6	13.6
Total	715	729	100.0	100.0
Of which:				
EU & RoW total	130	143	18.2	19.7

Source: RWCMD.

3. Royal Welsh College of Music and Drama, HE students<sup>a</sup>, by subject and level, 2015/16

	UG	PG	All
	Number		
Drama	180	45 <sup>b</sup>	225
Music	358	129	487
Arts managmt	-	17	17
Total	538	191	729

Source: RWCMD.

<sup>a</sup> Excludes studying abroad.

<sup>b</sup> Includes music theatre.



4. UK conservatoires, HE students (number), by art form, 2014/15

	Music	Drama	Dance	All
Royal Welsh College of Music and Drama	480	235	-	715
Royal Conservatoire Scotland	485	375	30	890 <sup>a</sup>
Royal Northern College of Music	805	-	-	805
Guildhall School of Music and Drama	725	180	-	905
Royal Academy of Music	775	-	-	775
Royal College of Music	800	-	-	800
Royal Central School of Speech and Drama	-	995 <sup>b</sup>	-	995
Trinity Laban	590	-	355	960 <sup>c</sup>
Conservatoire for Dance and Drama <sup>d</sup>	-	660	600	1,260
<b>Total</b>	<b>4,660</b>	<b>2,445</b>	<b>985</b>	<b>8,105</b>

Source: Higher Education Division, Welsh Government, from HESA.

<sup>a</sup> Excluding 95 BEd students.

<sup>b</sup> Including 40 on creative writing and on music courses.

<sup>c</sup> Including 15 on other creative arts and design courses.

<sup>d</sup> Comprising eight affiliated schools, London Contemporary Dance School, Royal Academy of Dramatic Art, Bristol Old Vic Theatre School, London Academy of Music and Dramatic Arts, Northern School of Contemporary Dance, Central School of Ballet, Rambert School of Ballet and Contemporary Dance, and the National Centre for Circus Arts.

5. UK conservatoires, HE students, by UK and overseas domicile, 2014/15

	UK	Rest of EU	Rest World	Total	O/s <sup>a</sup>
	Number				%
Royal Welsh College of Music and Drama <sup>b</sup>	585	40	90	715	18
Royal Conservatoire Scotland	635	110	145	890	29
Royal Northern College of Music	600	65	140	805	25
Guildhall School of Music and Drama	610	160	135	905	33
Royal Academy of Music	410	165	200	775	47
Royal College of Music	420	165	215	800	47
Royal Central School of Speech and Drama	755	80	160	995	26
Trinity Laban	720	150	90	960	25
Conservatoire for Dance and Drama <sup>c</sup>	870	175	215	1,260	31
<b>Total</b>	<b>5,605</b>	<b>1,110</b>	<b>1,390</b>	<b>8,105</b>	<b>31</b>

Source: Higher Education Division, Welsh Government, from HESA.

<sup>a</sup> Rest of EU and rest of world.

<sup>b</sup> Most recent data, 2015/16.

<sup>c</sup> Comprising eight affiliated schools, London Contemporary Dance School, Royal Academy of Dramatic Art, Bristol Old Vic Theatre School, Royal Northern School of Contemporary Dance, Central School of Ballet, National Centre for Circus Arts, Rambert School of Ballet and Contemporary Dance.

6. HE students in creative arts and design in RWCMD, USW, and all Welsh HEIs, by domicile, 2014/15

	Wales	Rest UK	Rest EU	Rest world	All	Of which o/s <sup>a</sup>
	Percentages					
RWCMD	21.0	60.8	5.6	12.6	100	18.2
USW <sup>b</sup>	63.3	29.5	5.3	2.0	100	7.3
All Welsh HEIs	54.2	37.6	4.5	3.7	100	8.2

Source: Source: Welsh Government Department of Education from HESA.

<sup>a</sup> Rest of EU and rest of world.

<sup>b</sup> Excluding RWCMD.

7. Royal Welsh College of Music and Drama, applications for HE courses, 2015/16

	Applications	
	Total	Per place
Undergraduate:		
BA acting	999	45.4
BA stage management	123	5.1
BA theatre design	127	5.8
BMus	502	5.1
BMus jazz	69	5.3
Postgraduate:		
MA acting	262	26.7
MA theatre design	39	2.3
MA stage & event mngmt	28	4.0
MMus/PG Dip	208	3.7
MA opera performance	44	5.5
MA PG Dip jazz	6	2.1
MA musical theatre	101	8.4

Source: RWCMD.

8. Royal Welsh College of Music and Drama, HE applications, by UG and PG, and by music and drama

	2012	2013	2014	2015	% cha'ge 12-15
	Number				
UG	1,432	1,439	1,576	1,570	+9.6
PG	439	535	643	688	+56.7
All	2,083	2,195	2,456	2,508	+20.4
Of which:					
Music	728	795	865	879	+13.9
Drama	1,355	1,400	1,591	1,679	+23.9

Source: RWCMD.

9. HE applications in music at RWCMD and selected UK conservatoires

	2006	2011	2014	% ch'ge 06-14
	Number			
<b>RWCMD:</b>				
UG	404	581	551	+36.4
PG	138	212	319	+231.0
All	542	793	865	+59.0
RNCM	1,099	1,400	1,385	+26.0
RCM	1,415	1,930	1,915	+35.3
Trinity Laban	1,025	1,315	1,165	+13.7
RCS	772	995	1,400	+81.3 <sup>a</sup>

Source: CUKAS annual reports and RWCMD.

<sup>a</sup> For Scottish-domiciles, UG courses remained free from 2012 onwards.

10. RWCMD, occupations in 2016 of 2013 graduating cohorts

	Drama			Music				
	Acting	Design	St. man	Mus ic	Wood wind	Stri ngs	Voi ce	Key bd
	Percentages							
Perform, produc <sup>a</sup>	93	89	91	64	58	64	65	63
Teaching <sup>b</sup>	-	-	-	22	26	27	14	9
Allied professions <sup>c</sup>	4	7	6	7	8	5	8	19
Other sectors & DKs	4	3	3	7	8	5	12	9
	100	100	100	100	100	100	100	100
<b>Graduating cohort:</b>								
Size (no.)	28	29	31	82 <sup>d</sup>	12	22 <sup>e</sup>	16 <sup>f</sup>	11

Source: RWCMD; JM presentation.

<sup>a</sup> Includes advanced study and professional performers who also teach.

<sup>b</sup> Principal occupation; mainly as teachers of instruments and voice.

<sup>c</sup> Such as arts management, casting, agents, broadcasting, recording, and therapy.

<sup>d</sup> UG first destination 2012.

<sup>e</sup> 2015.

<sup>f</sup> Average 2011-2014.

11. Welsh-domiciled HE students attending UK conservatoires, by RWCMD and other, 2014/15

	UG	PG	All
	Number		
RWCMD	125	25	150
Other conservatoires	170	50	220 <sup>1</sup>
Total	295	75	370

Source: Welsh Government Department of Education from HESA.

<sup>1</sup> Of which, RNCM 40, TLCMD 40, CDD 30, GSMD 30, RAM 25, RCM 20, RCSSD 20, and RCS 5.

## FUNDING AND FINANCE

### 12. RWCMD funding transition, old and new regime fees, expensive subject UG premium and resource

	11/12	12/13	13/14	14/15	15/16	16/17
	£ per student					
Old regime fee	3,375	[3,476]	[3,580]	3,685	n/a	n/a
New regime fee	n/a	9,000	9,000	9,000	9,000	9,000
UG premium	10,320	9,000	9,000	6,000	3,600	3,442 <sup>a</sup>
UG resource (fee + premium) <sup>b</sup> :						
Old regime	13,695	12,476	12,580	12,685	n/a	n/a
New regime	n/a	18,000	18,000	15,000	12,600	12,442

Source: RWCMD and HEFCW.

<sup>a</sup> Net of Sector Agency funding.

<sup>b</sup> For entrant students.

### 13. RWCMD HE premium-funded student numbers

	11/12	12/13	13/14	14/15	15/16	16/17
Control totals						
UG	427	400	468	460	460	477
PG FT	26	25	27	27	n/a	n/a
PG PT	42	43	40	40	40	n/a
Total	495	468	536	506	500	477
Add'l nos <sup>a</sup>	[10]	10	10	10	-	-
Total funded	505	478	546	516	500	477

Source: RWCMD and HEFCW.

<sup>a</sup> [USW-funded].

### 14. RWCMD HE student FTEs enrolment, by home/EU-funded and fees-only, and by overseas

	11/12	12/13	13/14	14/15	15/16	16/17
Home/EU:	Number FTE					
Funded	505	478	546	516	500	477
Fees-only	69	79	17	56	86	154
Total	574	557	563	572	586	631
Overseas	48	57	64	69	79	86
Total	622	614	627	641	665	717

Source: RWCMD.

15. RWCMD HE students FTE enrolment, by home/EU-funded and overseas, and by subject

	11/12	12/13	13/14	14/15	15/16	16/17
Number FTE						
Home/EU UG:						
Music	327	314	309	333	338	377
Drama	<u>153</u>	<u>154</u>	<u>152</u>	<u>148</u>	<u>160</u>	<u>168</u>
Total	480	468	461	481	498	545
Home/Eu PG:						
Music	51	43	52	46	[40]	44
Drama	33	37	35	34	[35]	34
Mngmt	<u>11</u>	<u>9</u>	<u>15</u>	<u>11</u>	<u>[13]</u>	<u>8</u>
Total	<u>95</u>	<u>89</u>	<u>102</u>	<u>91</u>	<u>[88]</u>	<u>86</u>
Total Home/EU	575	557	563	572	[586]	631
Overseas						
Music	26	34	37	40	46	-
Drama	<u>22</u>	<u>23</u>	<u>27</u>	<u>29</u>	<u>33</u>	-
Total o/seas	<u>48</u>	<u>57</u>	<u>64</u>	<u>69</u>	<u>79</u>	<u>86</u>
Total FTEs	622	614	627	641	665	717

Source: RWCMD.

16. RWCMD teaching grant elements

	11/12	12/13	13/14	14/15	15/16	16/17
£k						
Premium funding	5,092	4,255	4,856	3,153	2,010	1,639 <sup>a</sup>
Other HEFCW						
Add'l UG nos <sup>b</sup>	[90]	90	90	60	-	-
PGT	[150]	[118]	66	44	35	-
Per capita grant	<u>65</u>	<u>46</u>	<u>6</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	569	437	309	200	82	3
Mitigation funding	-	-	-	-	466	-
Add'l funding <sup>b</sup>	<u>264</u>	<u>183</u>	<u>147</u>	<u>93</u>	<u>44</u>	-
Tgrant total	5,661	4,692	5,165	3,354	2,558	1,642

Source: RWCMD, HEFCW, USW.

<sup>a</sup> Net of £80k sector agency funding.

<sup>b</sup> [USW funded].

17. RWCMD HE teaching resource (grants and fees) for home/EU students, total and resource per student FTE

	11/12	12/13	13/14	14/15	15/16	16/17 <sup>a</sup>
	£ per student FTE					
Teaching grants (£k)	5,661	4,692	5,165	3,354	2,558 <sup>b</sup>	1,642
Home/EU fees (£k)	2,368	3,060	3,918	4,800	5,397	5,754
Total Home/EU resource (£k)	8,029	7,752	9,083	8,154	7,955	7,396
Home/EU student FTE (nos) <sup>c</sup>	575	557	563	572	586	631
Res per Home/EU student (£)	13,963	13,917	16,133	14,255	13,575	11,721

Source: RWCMD.

<sup>a</sup> Forecast.

<sup>b</sup> Includes £466k 'mitigation funding'.

<sup>c</sup> Includes arts-management students.

18. RWCMD HE teaching income (grants and fees) for all students, resource total and per student (FTE)

	11/12	12/13	13/14	14/15	15/16	16/17 <sup>a</sup>
Tgrants (£k)	5,661	4,692	5,165	3,354	2,558	1,642
Fees (£k)	3,031	3,967	4,955	5,972	6,828	7,343
Total T resource (£k)	8,692	8,659	10,120	9,326	9,368	8,985
Stu FTE (nos)	623	614	631	646	665	717
Res per student (£)	13,952	14,103	16,038	14,392	14,087	12,531

Source: RWCMD; calculation JM.

<sup>a</sup> Budget.

19. Teaching resource (teaching grants and fees) per student (FTE), by RWCMD and English conservatoires

	11/12	15/16	16/17
	£ per student Home/EU		
RWCMD	13,963	13,575	11,721
Eng conservatoires <sup>a</sup>	14,198	14,810	15,467 <sup>b</sup>
Difference (£)	-235	-1,235	-3,746
% difference	-1.7	-8.5	-24.2
	£ per student (all)		
RWCMD	13,952	14,089	12,531
Eng conservatoires <sup>c</sup>	14,574	n/a	16,626 <sup>d</sup>
Difference (£)	-622	n/a	-4,095
% difference	-4.3	n/a	-24.6

Source: RNCM data, see Tables 17 and 18; English 2011/12 conservatoire data from statutory accounts and HESA, 2015/16 and 2016/17 from HEFCW, using HEFCE data.

<sup>a</sup> RAM, RCM, RNCM, TL, and CDD

<sup>b</sup> Plus RCSSD and GSMD.

<sup>c</sup> RAM, RCM, RNCM, TL, and GSMD.

<sup>d</sup> Teaching grant allocation plus fee projections based on 2014/15 data.

20. Teaching grants at UK conservatoires, 2014/15 - 2016/17, with analysis of 2016/17

	14/15	15/16	16/17	2016/17 breakdown:			
				A	B	C	D
£ thousand							
RAM	3,085	3,002	4,486	3,830	133	276	247
RCM	3,138	3,114	4,624	4,000	132	225	267
TL	5,858	5,840	5,433	4,438 <sup>c</sup>	201	146	648
RNCM	4,093	4,145	4,508	4,000	157	120	231
RCSSD	2,607	2,910	5,122	4,000	192	199	731
Gama	1,081	864	4,931	4,000	172	197	562
CDD	6,080	6,388	5,774	4,659 <sup>c</sup>	113	248	754
RCS	9,249	..	9,370 <sup>b</sup>	n/a	n/a	n/a	n/a
RWCMD	3,354	2,558	1,642	1,642 <sup>d</sup>	n/a	n/a	n/a

Source: HEFCE, SHEFCE, RWCMD.

- A Specialist institution funding
- B High-cost-subject allocation per student
- C Intensive PG provision
- D Other teaching grants, including "London allowance", "improving retention", "provision for disability", and "widening participation for students from disadvantaged areas"

<sup>a</sup> Excluding contribution of the Corporation of City of London: added £7,367k in 2014/15.

<sup>b</sup> Relates to a controlled target of 609 FTE, including 92 BEd students.

<sup>c</sup> Includes transition payments above £4m.

<sup>d</sup> Expensive subject premium (equivalent to "specialist institution funding" in England).

21. RWCMD income and expenditure

	11/12	12/13	13/14	14/15	15/16	16/17
£k						
Income:						
HE grant & fees	8,692	8,659	10,120	9,326	9,386 <sup>a</sup>	9,112
Other activity	1,857	1,962	1,539	1,588	1,774	1,766
Private income	-	150	145	623	928 <sup>b</sup>	1,002
Grant release	551	476	392	384	209	169
Total	11,100	11,246	12,196	11,921	12,297	12,049
Spend:						
Teaching staff	3,632	3,571	3,914	3,939	4,194	4,337
Other staff	2,585	2,685	2,877	3,084	3,236	3,360
Non-staff	3,093	3,254	3,379	3,200	3,398	3,476
Interest & dep	1,550	1,509	1,542	1,501	1,147	1,164
Total	10,861	11,019	11,712	11,722	11,975	12,337
Surplus/deficit	+240	+228	+484	+199	+321	-1,076
HE student FTE	622	614	627	641	665	717

Source: RWCMD management accounts<sup>c</sup>.

<sup>a</sup> Includes £466k mitigation funding.

<sup>b</sup> Includes £500k private funding emergency injection.

<sup>c</sup> Forecast, 30 November 2016.

22. RWCMD, analysis of "other" income<sup>a</sup>

	11/12	12/13	13/14	14/15	15/16	16/17 <sup>b</sup>
	£k					
Pre-college	482	481	462	468	488	513
Tickets	33	153	156	172	180	188
Hires/Catrng	352	219	224	295	301	307
Other <sup>c</sup>	414	517	183	17	154	84
Interest	4	7	10	4	4	10
Catering	574	585	504	631	647	664
Total	1,857	1,962	1,539	1,588	1,774	1,766

Source: RWCMD management accounts.

<sup>a</sup> Gross.

<sup>b</sup> Forecast, 30 November 2016.

<sup>c</sup> Includes HEFCW hypo, WAG, additions, pre-college charges.

23. Income and spend patterns in UK HEIs, conservatoires<sup>a</sup> (seven UK comparators) and RWCMD, 2013

	HEIs	Cons	RWC
	Percentages		
Income:			
Tgrant, fees	62.8	65.3	78.6
Research	17.8	1.5	0
Other activity	18.3	27.2	14.6
Private/end.	1.1	6.6	2.5
Total	100.0	100.0	100.0
Spend:			
Staff	55.0	57.0	60.0
Operation	37.5	38.2	27.8
Depreciation	7.3	4.5	8.1
Interest	0.3	0.3	3.1
Total	100.0	100.0	100.0
Average income (£m)	193.0	21.1	11.9
Students	14.5 <sup>b</sup>	839 <sup>c</sup>	711 <sup>c</sup>

Source: RWCMD management accounts.

<sup>a</sup> RAM, RCM, RNCM, RCS, TL, GSMD, RCSSD.

<sup>b</sup> Headcount in thousands.

<sup>c</sup> Headcount in numbers.

24. Welsh HEIs, HE student enrolments in creative-arts and design<sup>a</sup>, 2014/15

	RWC	USW <sup>b</sup>	CDF	CDF Met	SWN	UoW TSD	ABW	BAN	GLD	All
	Number									
Performing arts	715	1,030	260	55	-	275	285	185	100	2,905
Design, f. art, cine/photo	-	1,975	-	1,020	-	1,155	325	120	380	4,975
Writing & other	-	180	-	15	35	80	160	130	-	600
Total	715	3,185	260	1,090	35	1,520	770	435	480	8,480
Of which:										
Undergraduate	525	2,925	210	990	-	1,410	665	370	425	7,520
Postgraduate	190	260	50	100	35	100	105	65	55	960

Source: Higher Education Division, Welsh Government, from HESA.

<sup>a</sup> In JACS subject Code W.

<sup>b</sup> Student distribution: 2,015 at Cardiff campus, 510 at Newport campus, 200 at the main Bridgend campus, and 95 at Merthyr College.



25. Welsh HEIs, HE student enrolments in performing arts, 2014/15

	RWC	USW	CDF	CDF Met	SWN	UoW TSD	ABW	BAN	GLD	All
Number										
Drama:										
Acting	100	-	-	-	-	135	-	-	-	235
Theatre design	65	-	-	-	-	25	15	-	-	105
Stage management	70	-	-	-	-	-	-	-	-	70
Drama/th stud/perf	-	415	-	-	-	85	265	4	40	810
Th wardrb/effects	-	65	-	-	-	-	-	-	-	65
Stage design	-	70	-	-	-	-	5	-	-	75
All drama	235	550	-	-	-	245	285	5	40	1,360
Music & dance:										
Music	480	-	260	10	-	20	-	180	-	950
Pop & other	-	135	-	-	-	-	-	-	-	135
Prod/tech/mngmt	-	345	-	-	-	-	-	-	60	405
Dance	-	-	-	45	-	10	-	-	-	55
All music & dance	480	480	260	55	-	30	-	180	60	1,545
All performing arts	715	1,030	260	55	-	275	285	185	100	2,905
Of which:										
UG	525	1,000	215	55	-	255	265	150	100	2,565
PG	190	30	45	-	-	20	20	35	-	340

Source: Higher Education Division, Welsh Government, from HESA.

26. Welsh HEIs, HE student enrolments in other creative arts and design, 2014/15

	RWC	USW	CDF	CDF Met	SWN	UoW TSD	ABW	BAN	GLD	All
Number										
Cinematics & photo	-	975	-	160	-	190	140	-	65	1,530
Design & fine art	-	1,000	-	860	-	965	185	120	315	3,445
Writing & other	-	180	-	15	35	[30]	160	130	-	600
Total	-	2,155	-	1,035	35	1,185	485	250	375	5,575

Source: Higher Education Division, Welsh Government, from HESA.

## APPENDIX 4

### Corporate governance of the Guildhall School of Music and Drama

The Guildhall School is owned by the Corporation of London, by which it was founded in 1880. Until 2006, it had been operated as a department of the City Corporation. But the governance was adjusted at the request of HEFCE, when the School began to receive central-government funding. At this point, the School was designated as an Higher Education Institution in 2006, and became a self-governing, independent organisation whilst maintaining the link to its owner, the City Corporation. This enabled the School to comply with the "responsibilities and reporting requirements placed on it as a publicly funded body", whilst also maintaining its compliance with the requirements of its owner, the City Corporation.

The Board of Governors comprises 22 members, 11 Aldermen from the City Corporation, and 11 others, five from the School (two ex-officio and three elected by the staff), and six independent members. Additionally, representatives of three other cultural entities attend the Board in an advisory capacity. These are the City's Barbican Centre, the Culture, Heritage and Libraries Committee, and the Centre for Young Musicians.

The Aldermen are nominated by the Common Council but the Independent Governors are chosen by the Board. The Board chooses the chair and the deputy chair from amongst the Common Council Governors. These decisions are subject to the approval of the Court of Common Council.

The Board of Governors appoints the Principal who is the Chief Officer of the School. The Principal post is responsible to the Board of Governors for the organisation, direction, and management of the School, and, as a Chief Officer of the City Corporation, is also responsible to the Town Clerk. Also the designated officer for the School, the principal is directly accountable to HEFCE for its public funding and its student experiences and outcomes, and can, in an individual capacity, be summoned to appear with HEFCE before the Public Accounts Committee.

The Board has six committees which advise it. These are:

- Audit and Risk Management;
- Nominations;
- Remuneration;
- Governance and Effectiveness;
- Finance and Resources; and
- Reference.

The Reference Committee meets under certain conditions to address any urgent issues, and can also meet with the Reference Sub-Committee of the Board of the Barbican Centre.

Although the Board of Governors remains part of the City Corporation's overall committee structure. It acts as the Guildhall School's governing body and discharges these duties accordingly. Assurances have been made by the City Corporation to HEFCE that it recognises the need for the Guildhall School's Board of Governors to enjoy operational autonomy, and will not, without good cause, challenge any decision of the Board of Governors that has been properly arrived at within its terms of reference and in accordance with the business plan approved by the City Corporation.

A separate Guildhall School Trust leads the fundraising activity of the School, and its development fund is another independent charity. There is some overlap in the Board members, which serves to integrate the activities and understandings of the Trust and the governors. In addition to fundraising from trusts, business, and individuals, the Trust safeguards the asset. This sits at some £7 million held as investments and cash. The Trust played an important role in delivering private funding to the Milton Court development.

Until 2016/17, the City of London was not only the owner of the School but also its principal funder. It contributed some £6 million a year revenue-funding, much more at that time than the sum received from HEFCE.

There is in place a joint service arrangement for the finance function between its two performance-based organisations, the Barbican Theatre and Concert Hall and the Guildhall School. It should be noted that the School retains control of its buildings, their operation, cleaning, and routine repair and maintenance.