

Education and Lifelong Learning Committee

ELL2-03-05(p.2)

Date:	9 March 2005
Title:	Interim Report of Rees Review

Purpose

1. In July 2004, I established an independent review panel under the chairmanship of Prof Teresa Rees to consider and advise on how the Assembly should respond to new powers relating to tuition fees and student support, contained in the Higher Education Act 2004. I have now received a progress report from the panel and would welcome the comments and views of the Committee.

Background

2. The Higher Education Act received Royal Assent in July 2004. This Act made important provisions for Wales, relating to the future tuition fee regime and the student support system. In brief, the Act makes provision for the devolution of student support to Wales, allowing us to take a whole system approach to higher education policy making. The Act also makes provisions for the Assembly to determine the future tuition fee regime in Wales. These provisions are broadly parallel to those establishing a variable fee regime in England, but we took steps to ensure that they contained the maximum flexibility.

3. Both of these elements of the Act are an important step forward for the Assembly in terms of higher education policy. The introduction of fee loans to remove the requirement for students to pay their tuition fees upfront means that the funding of institutions and the student support system are more closely linked than ever. Determining how to respond to these new powers is a complex issue. It is essential that decisions taken by the Government are firmly grounded in evidence; are sensitive to the need for funding to be sustainable in the long term; acknowledge the interrelationship with the sector in other parts of the UK and put a central emphasis on the needs of the student.

4. It is against this background that I established the Rees Panel with the remit to produce a report, with relevant evidence, to inform Assembly government decisions about future policy towards student support and the financing of the higher education sector and to make recommendations to me about the applicability or otherwise of variable fees in Wales. I have now received an interim, or progress, report

from the Rees Panel and that report is before the Committee for consideration today.

Summary / Recommendations

5. The report is an interim report. It outlines where the Group has reached in its deliberations and explores the six options that the Panel has been considering for funding the higher education sector in Wales beyond 2006/07.

6. The report sets out the guiding principles which have steered the Group in its discussions to date. Those principles relating to the funding of the HE sector broadly mirror the approach that the Government has taken in its HE policy. They reflect the UK and international context within which institutions are working and the need to ensure that institutions in Wales remain competitive on all levels. They also reflect the principle of academic autonomy, which I have always endorsed. Our higher education institutions receive large amounts of public funding, which is distributed by HEFCW in line with Ministerial priorities. Nevertheless they are legally autonomous and place great importance on their independence. Finally, the principles also reflect the Government's commitment to equality of opportunity and our belief that all of those with the ability to benefit from higher education should have the opportunity to do so.

7. The interim report provides much food for thought. It does not draw conclusions or make firm recommendations at this time. However, it describes very clearly the issues associated with each of the options. It provides a clear indication of the areas the group will be focusing on between now and final recommendations, but also the issues which we will need to consider in reaching a final view on the future funding of the sector. We have made the commitment that there will be no variable fees in Wales during the lifetime of this Assembly. The advantage of this commitment is that decisions for the future can be based on the principles set out above, the analysis now emerging from the Rees Report and a fuller understanding of the UK and international context within which higher education operates.

Consideration

8. The report reflects the complexity of the issues before the panel and emphasises the need for the Assembly to make careful and considered decisions in due course. The report concludes that a balance needs to be determined between income from public funds and income from fees. In considering this balance, the report clearly sets out the relevant factors, ranging from the need for flexibility and sustainability of funding to the legal considerations, from the interests of the students to the wider policy goals of the Assembly.

9. The options proposed by the Panel have strengths and weaknesses, but may also have unintended consequences. With the group's help, we need to identify all of these before making any decisions. Today's presentation by Prof Rees is an opportunity for us to begin exploring and un-picking the issues around these options.

Financial Implications

10. There are no financial implications at this time. The paper and the report are for the Committee to note and discuss.

Action for Subject Committee

11. The Committee is asked to note and consider the progress report of the Rees Panel.

Jane Davidson AM
Minister for Education and Learning