

EDUCATION AND LIFELONG LEARNING COMMITTEE

HIGHER EDUCATION FUNDING COUNCIL FOR WALES

27 February 2003

BACKGROUND

- 1 The Higher Education Funding Council for Wales (HEFCW) was established under the Further and Higher Education Act 1992, to administer funds in support of the provision of education, the undertaking of research and associated activities in higher education institutions in Wales. It also funds higher education provision in further education colleges in Wales, and is responsible for accrediting and funding providers of initial teacher training in Wales.
- 2 Its mission is to promote internationally excellent higher education in Wales, for the benefit of individuals, society and the economy, in Wales and more widely. The Council works with partners to:
 - secure higher education learning and research of the highest quality;
 - maximise the contribution of higher education to the culture, society and economy of Wales;
 - ensure high quality, accredited teacher training provision across Wales
- 3 March 2002 saw the publication of the Assembly Government's 10-year strategy for higher education, *Reaching Higher: Higher Education and the Learning Country*. This followed the report of the enquiry into higher education by the Committee, *Policy Review of Higher Education* (January 2002). Since then the Council has been focusing particularly on delivering the key priorities which emerged from that review process. Chief among these, in the first phase of implementation of *Reaching Higher*, have been reconfiguration and collaboration, and widening participation.

KEY PERFORMANCE TARGETS

- 4 Before turning directly to reconfiguration and widening participation, we should recall that, at the same time as taking forward *Reaching Higher*, the Council has also been maintaining the full range of its pre-existing activities. Key performance targets, and achievements against them, are shown in **Annex A**.
- 5 Funding in relation to commitments for academic year 2002/03 is shown in **Annex B**.

PROGRESS ON *REACHING HIGHER*

Reconfiguration and Collaboration:

- 6 The Council has made engagement with the core initial goal of *Reaching Higher*, namely, reconfiguration and collaboration, its top priority. Council has:
 - Devoted three days in special workshops to developing its view of how best to move forward, as well as regular discussions at normal Council meetings;
 - Ensured that it has met heads of all the HEIs to discuss their strategic plans (in contrast to prior practice of meeting half each year);
 - With respect to reconfiguration across the HE/FE interface, worked with the National Council to agree criteria for mergers;
 - The Chairman has personally committed considerable time to speaking to heads of institutions and chairs of governing bodies to offer guidance and encouragement.

- 7 The Council's activity on reconfiguration builds on work already in progress under the Structural Change Fund, which was introduced by the Council in 2001-02. Allocations under this fund were agreed in February 2002 (**Annex C**).

- 8 As required by the Minister, the Council sought, and received, reconfiguration and collaboration plans and bids from all institutions by 31 October 2002. A special panel, drawing in expert external advice, reviewed the bids. The panel's deliberations were considered by the Council on 6 December 2002 and decisions to support a range of proposals were announced on 17 December 2002. (See press statement at **Annex D**).

- 9 A key principle underpinning the Council's analysis of the bids was the desire to support the reshaping of the HE sector in Wales in the interests of achieving major performance gains and enhanced competitiveness, while not closing down other potentially attractive options that might be envisaged within the spirit of *Reaching Higher*.

- 10 Council recognised that the October deadline had been demanding, with inevitable implications for the degree of detailed work that could, by that date, have been done. As a matter of good stewardship of public funds, it therefore sought further development of the proposals it was prepared in principle to support before finalising specific allocations.

- 11 Officers are completing a round of detailed discussions with institutions about next steps. They are finding considerable willingness to engage with the agenda, but variations in the degree of specificity of objectives, and over how best to move towards them. Much remains to be done to develop and/or

analyse proposals, and to see them safely through the various governance procedures within the institutions.

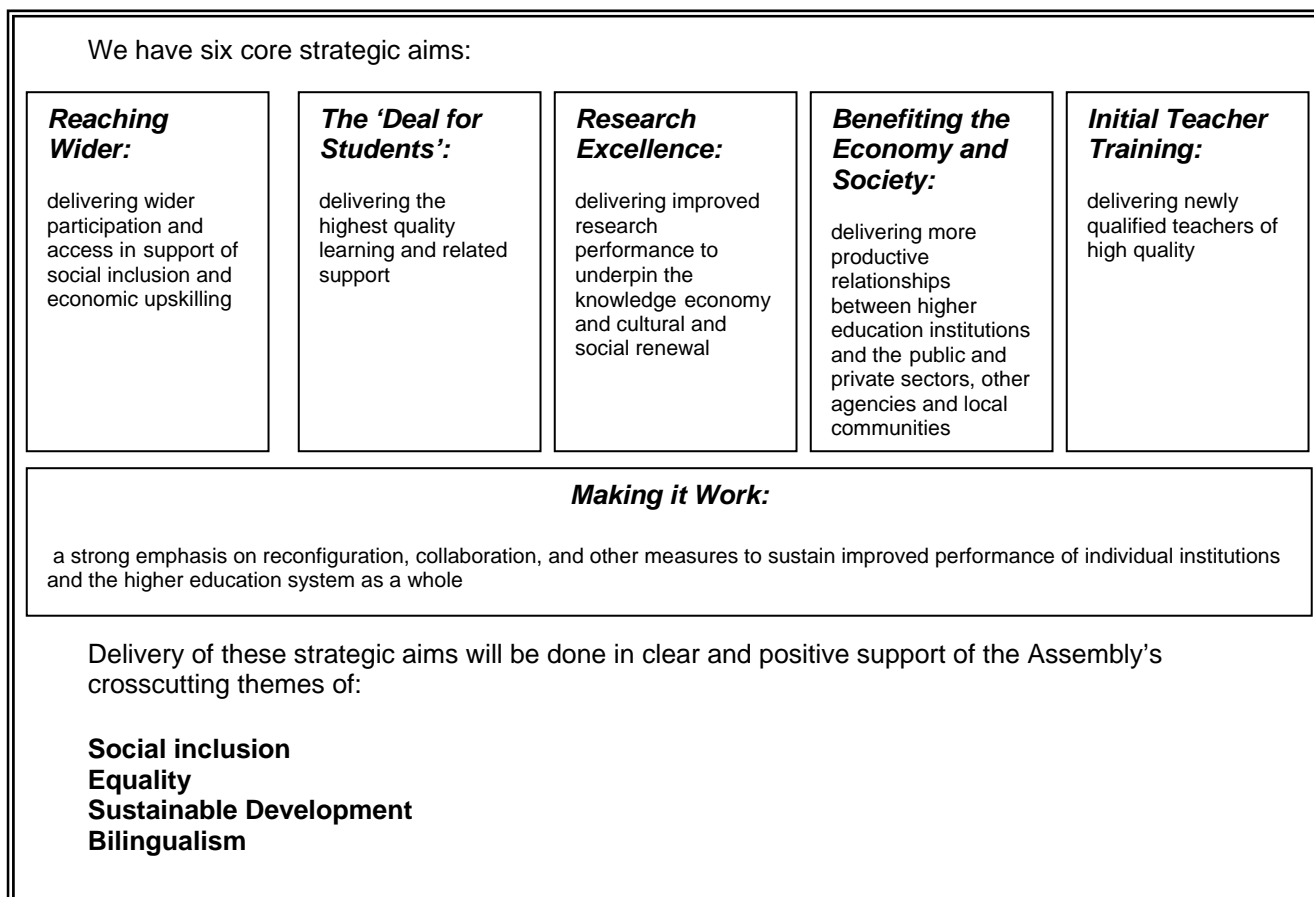
- 12 Not surprisingly, even where there is a substantial groundswell of support, there is also reluctance to change in certain quarters. Council is seeking to work sensitively with institutions to support change, while recognising the need for care not to force counterproductive outcomes. Heads of institutions have, for example, difficult judgments to make about when to take proposals through key stages of their formal machinery: moving too soon could set matters back for a considerable time.
- 13 The key issues to be addressed in the immediate future vary considerably from one case to another. In aggregate, they include: clarity of vision over intentions; leadership and governance arrangements; winning and maintaining the support of staff (including avoiding destabilising key staff); status in relation to the University of Wales; and, critically, confidence that sufficient funding will be available to support good proposals through to successful completion.

Reaching Wider

- 14 The other top priority in *Reaching Higher* is widening participation. It is worth recalling that, prior to this, the Council had increased its widening participation premium by 33%, from £150 to £200 per student in 2002/03; and that the Council has been working closely with the National Council – ELWa to coordinate policies in this field.
- 15 With respect to the additional £2 million announced by the Assembly in March 2002 to support this priority, the Council published an outline framework for its *Reaching Wider* initiative in July 2002, followed by detailed guidance and a request for proposals in September. A seminar was also arranged with representatives from the HE sector in October to discuss the initiative in more detail. The outcomes were announced in January. Under this initiative, four regional widening access partnerships of higher and further education institutions and other partners, including schools, are being established. (Details in Annex E – press release). Council officers are now engaged in a round of visits to each of the partnerships.

MOVING FORWARD

- 16 The Council is now poised to enter a period of consultation upon its Corporate Strategy – radically reshaped in response to *Reaching Higher*. Out of this consultation, it intends to develop the necessary policies and instruments to take the agenda forward across the full range of *Reaching Higher* objectives. The key elements of the Strategy are shown below.



17 The above activity represents a considerable increase in the load on the Council, both members and officers. Work is in hand to appoint an additional officer to support reconfiguration activity, and another to act as National Coordinator for *Reaching Wider*. Steps are also in hand to reinforce what currently is a significantly below-strength economic development team (needed, not least, to develop the closer working with the WDA which is sought by the Ministers for Education and Lifelong Learning, and Economic Development). Further rethinking of the shape and size of the Council's executive is needed, but cannot easily proceed until there is greater clarity over the implementation of the Rawlings report. The Council will, in any event, need to draw in independent external expertise to ensure the necessary appraisal of reconfiguration proposals.

CONCLUSION

18 Flowing from the work of the Committee and the Assembly Government, there is now more activity underway on reconfiguration and collaboration in Wales than in any region of England, or in Scotland. The prospects of

significant and substantial early developments are palpable, provided that we are able to maintain the confidence of institutions, and especially of their governing bodies, that adequate funding will flow to good proposals to see them through to completion. This is critical. The prize of a first class higher education system for Wales is achievable, but would slip away if confidence over funding were to ebb, since governing bodies could not properly accept the risks of proceeding with major reconfigurations (especially mergers) in too uncertain a financial environment.

- 19 More generally, the Council's consultation upon its new Corporate Strategy will be the basis for developing the necessary policies and instruments to take the agenda forward across the full range of *Reaching Higher* objectives. We are also poised to offer consultancy support to HEIs on improving their human resource strategies (in order to address a range of issues, from equal opportunities to rewarding excellence in teaching), and are working closely with partners across the UK on developments for improving the quality of leadership in HE. These steps will provide essential underpinning to the *Reaching Higher* agenda.