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Rt Hon Charles Clarke MP

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13 March 2003

HIGHER EDUCATION

Thank you for your letter of 5 March about devolving responsibility for student support finance to Wales which you and I recently discussed with Peter Hain. Like you, I view student support as an important part of higher education policy, and I understand why you should want this as part of the devolved powers of the Welsh Assembly so that the policy can be tailored to local needs. As I said in the House on 22 January, before the principle of transfer can be decided, our officials need to do detailed work to understand the financial implications. I have asked my officials to work with yours, and officials from the Wales Office, to bring forward agreed proposals within two months. We ought not to underestimate the complexity of the analysis. Among other things, the work will need to consider, based on estimates of actual costs, the details of relative income distribution of relevant families in England and Wales and the impact and implications of cross-border flows. We shall also have to consider the implications of your proposal to separate the HE grant from the system of loans and fee remission grant, devolving one but not the other. Once that is resolved, our discussions on the principles should then include two of the other issues you raise: responsibility for repaying the loans of teachers starting work in shortage subjects; and representation on the Student Loans Company.

I understand too why you want to take a little time to reflect on the implications of introducing variable tuition fees in England for students and universities in Wales. I agree we will need to have discussions over the coming months to decide, before legislation, how the changes will apply to Wales and to what timescale. Those proposals will, of course, need to be cleared by the usual processes.

Like you, I am copying this letter to Peter Hain at the Wales Office.

Charles Clarke

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