



**Cynulliad Cenedlaethol Cymru
Y Pwyllgor Addysg, Dysgu Gydol Oes a Sgiliau**

**The National Assembly for Wales
The Education, Lifelong Learning and Skills
Committee**

Dydd Iau, 22 Mehefin 2006

Thursday, 22 June 2006

Cynnwys
Contents

- 3 Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
 Introduction, Apologies, Substitutions and Declarations of Interest
- 4 Cylch Cynllunio'r Gyllideb
 Budget Planning Round
- 14 Adolygiad Graham—Tystiolaeth gan Dr Heather Graham a'r Athro Robert Pearce
 Graham Review—Evidence from Dr Heather Graham and Professor Robert Pearce
- 28 Adolygiad Graham—Tystiolaeth gan y Sefydliad Cenedlaethol dros Addysg Barhaus
 Oedolion Dysgu Cymru ac Undeb Cenedlaethol Myfyrwyr Cymru
 Graham Review—Evidence from the National Institute of Adult Continuing
 Education Dysgu Cymru and the National Union of Students Wales
- 39 Adolygiad Graham: Tystiolaeth gan Addysg Uwch Cymru a Chyngor Cyllido
 Addysg Uwch Cymru
 Graham Review: Evidence from Higher Education Wales and the Higher Education
 Funding Council for Wales

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau Cynulliad yn bresennol: Peter Black (Cadeirydd), Lorraine Barrett, Christine Chapman, Jeff Cuthbert, Jane Davidson (y Gweinidog dros Addysg, Dysgu Gydol Oes a Sgiliau), William Graham, Janet Ryder.

Swyddogion yn bresennol: Richard Hart, Yr Adran Addysg, Dysgu Gydol Oes a Sgiliau; John Howells, Yr Adran Addysg, Dysgu Gydol Oes a Sgiliau; Vaughan Johnson, Rheolwr Prosiect yr Is-adran Polisi yn ystod y Flwyddyn; Steve Marshall, Cyfarwyddwr, Yr Adran Addysg, Dysgu Gydol Oes a Sgiliau; Judith Nedin, Pennaeth, Cynllunio Strategol a Chyllidebu.

Eraill yn bresennol: David Blaney, Pennaeth Cyllido ac Ailgyflunio, Cyngor Cyllido Addysg Uwch Cymru; Cerys Butcher, Swyddog Polisi, NIACE Dysgu Cymru; Viv Davies, NIACE Dysgu Cymru; Dr Heather Graham, Cyfarwyddwraig, Y Brifysgol Agored yng Nghymru; yr Athro Philip Gummert, Prif Weithredwr, Cyngor Cyllido Addysg Uwch Cymru; yr Athro David Halton, Is-ganghellor, Prifysgol Morgannwg; Rob Humphreys, Cyfarwyddwr, NIACE Dysgu Cymru; Tim Palmer, Swyddog y Wasg a Materion Cyhoeddus, UCM Cymru; yr Athro Robert Pearce, Is-ganghellor, Prifysgol Cymru Llanbedr Pont Steffan; Siân Taylor, Rheolwr, UCM Cymru; Dylan Williams, Llywydd, UCM Cymru.

Gwasanaeth y Pwyllgor: Steve George, Clerc; Ruth Hatton, Dirprwy Glerc.

Assembly Members in attendance: Peter Black (Chair), Lorraine Barrett, Christine Chapman, Jeff Cuthbert, Jane Davidson (Minister for Education, Lifelong Learning and Skills), William Graham, Janet Ryder.

Officials in attendance: Richard Hart, Department for Education, Lifelong Learning and Skills; John Howells, Department for Education, Lifelong Learning and Skills; Vaughan Johnson, Project Manager, In-year Policy Division; Steve Marshall, Director of Education, Lifelong Learning and Skills Department; Judith Nedin, Head, Strategic Planning and Budgeting.

Others in attendance: David Blaney, Head of Funding and Reconfiguration, Higher Education Funding Council for Wales; Cerys Butcher, Policy Officer, NIACE Dysgu Cymru; Viv Davies, NIACE Dysgu Cymru; Dr Heather Graham, Director, Open University in Wales; Professor Philip Gummert, Chief Executive, Higher Education Funding Council for Wales; Professor David Halton, Vice Chancellor, University of Glamorgan; Rob Humphreys, Director, NIACE Dysgu Cymru; Tim Palmer, Press and Public Affairs Officer, NUS Wales; Professor Robert Pearce, Vice Chancellor, University of Wales Lampeter; Siân Taylor, Manager, NUS Wales; Dylan Williams, President, NUS Wales.

Committee Service: Steve George, Clerk; Ruth Hatton, Deputy Clerk.

*Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.*

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Peter Black:** Welcome to the Education, Lifelong Learning and Skills Committee. I have a few housekeeping announcements. As usual, if there is an emergency, ushers will indicate the nearest safe exit. Headsets are available for translation and amplification; for those who are unfamiliar with them, simultaneous translation is available on channel 1 and channel 0 is the floor language. I ask everyone to switch off their mobiles, BlackBerrys and any other electrical devices completely, because, even on silent, they will interfere with the

sound and the recording of the committee.

[2] I have had apologies from Owen John Thomas and Irene James. Lorraine Barrett is substituting for Irene James—welcome to the Education, Lifelong Learning and Skills Committee, Lorraine.

[3] **Lorraine Barrett:** Thank you, Peter.

[4] **Peter Black:** I invite Members to make declarations of interest under Standing Order No. 4.6. I see that there are none.

[5] An e-mail has been sent about the next meeting on 5 July. It will start at 9 a.m. as usual, but, because we have a particularly packed agenda, and it is our last meeting of term, we are proposing to carry on until 1 p.m.. The only person who will escape from this is the Minister, because the last half will be evidence on the special educational needs review. We have two lots of evidence, from Remploy, and through a video conference with an academic at the University of Stirling in the last part. Therefore, to fit it in, we had to extend the meeting by half an hour. I apologise for keeping you for the extra half hour, but I thought that, if I gave you advance notice now, you would be able to amend your diaries accordingly. I hope that that is helpful.

9.03 a.m.

Cylch Cynllunio'r Gyllideb Budget Planning Round

[6] **Peter Black:** We have papers on this item. Members have also had a briefing note prepared by the Members' research service. The purpose of this session is for us as a committee to identify our priorities, which we would like the Minister to take on board. At the end of this procedure, I will write to the Finance Minister—or one of the Ministers—setting out the committee's deliberations. I will ask the Minister to introduce the paper, and then we will take questions and points.

[7] **The Minister for Education, Lifelong Learning and Skills (Jane Davidson):** As you say, Chair, this agenda item provides the committee with the opportunity to consider priorities in education, lifelong learning and skills policies at the start of this year's planning round. As usual, the Finance Minister has written to all subject committees explaining the budget planning round process for 2006, and asking for views on spending priorities.

[8] The Finance Minister has also indicated in her letter that, with the postponement of the UK spending review until July 2007, we do not expect to receive any significant additional resources on top of the published budget for 2007-08. Therefore, this year's budget planning round is about ensuring that our resources continue to meet the Government's strategic aims, as set out in 'Wales: A Better Country'. Members are asked to consider the next budget round in light of these priorities, as well as any considerations that may not have been addressed in the budget last year, and to report their views back to the Finance Minister. However, because there will not be any significant new money, any priorities that this committee comes up with today would take money away from other areas in the education, lifelong learning and skills portfolio, since our budget has already been announced and agreed by the Assembly for 2007-08.

[9] **Peter Black:** When it comes before the Assembly, we will consider the whole budget, so it will be possible to vire from other areas of the budget at a later stage, if the Finance Minister and the Assembly agree to that. The Minister has given us guidance on that.

Does anyone want to ask questions or make contributions?

[10] **Janet Ryder:** One of my concerns is that we see the continued roll-out of the foundation phase, as intended. We have seen cutbacks in that budget area, and Plaid Cymru wants to see the rolling out of the foundation phase adequately funded, and also the capital costs for schools and the capital implications adequately met. As I said before, it is not just about the money that is going into schools; it is about the money that needs to go into increased in-service training and the preparation of materials. So, we would want to see the foundation phase being properly rolled out.

[11] We are concerned about the situation regarding the small schools money. That was an issue in last year's budget round. It is clear in the papers that that money was intended for the ordinary everyday running of the schools. In the last few months, we have seen the Minister change that emphasis and say that those schools should use the money to pick up any extra support through RAISE, where other schools have received that support through RAISE. In the clarification papers that went out to county councils, the reason for not including small schools in the RAISE grant was clearly stated; it was because small schools were covered by extra small schools money. Plaid Cymru would like to see an acknowledgement within the budget that those small schools face extra expenses, when they also need to meet that agenda. A number of those small schools have a number of children who need that extra support. That money should be put in, over and above, into the small schools section of the budget.

[12] There are issues in terms of the FE and HE budgets. I have a particular concern regarding community education. If the Assembly Government is intent on fulfilling its many community regeneration agendas, community education must be an important part of that. We are all acutely aware of the pressure that is coming to bear on FE institutions budgets. Does the Minister now feel that it is appropriate to review the funding that goes into FE? Is the funding adequately picking up the cost of vocational courses? If not, is it therefore causing institutions to cut back on community education? We would want to see community education adequately funded, and vocational educational courses picked up.

[13] There are a number of challenges in FE. In terms of the report, which we will spend the rest of the day discussing, if no more new money will be going into the budget, is the Minister satisfied that she will be able to meet any implications that might come forward from the Graham review? Is that money already there? Has she already made allowances for it? If there will not be any new money in there, where will the money come in to support the recommendations in the Graham review, and when might we see them rolled out?

[14] We still do not seem to be moving forward on the historical funding gap that exists for HE institutions. It has been clearly proven that there is a gap—the Assembly Government itself has commissioned reports that have proven that the historical funding gap exists. The HE institutions need that funding. There are also many implications from the Furlong review, and the Minister gave the assurance that no institution would be destabilised by any implications of cutbacks to courses. Is she satisfied that there is money in the budget to ensure that no institutions are destabilised, as they are being asked to cut back or restrict the number of teacher-training courses that are being provided?

[15] We look forward to the publication of the food strategy, but we would like an assurance that it will be accompanied by capital money, because what will hinder the roll-out of an adequate and good food strategy is the fact that many schools cannot sit their children down to eat any more. They are culturing a grab-and-go eating culture because they no longer have the canteen space in which to sit children down to eat a proper meal. For that strategy to work, it needs to be accompanied by capital funding to ensure that schools can sit their children down. That is coming through clearly in the experimental projects that have been running in France and Rome, where local produce is being used and they have good food

coming through, and where they also ensure that those children sit down, that they have the space to sit down and that there is time in the curriculum for them to sit down. You see more than just the nutritional side of food coming through in their food strategies, and I would like to see that coming through for us.

9.10 a.m.

[16] Finally, I wish to refer to the issues that were raised in the Committee on School Funding. The Minister has now had time to examine those recommendations. I have not touched on the impact on school budgets, because I am anticipating getting the response that we usually get, namely that that is part of the local government revenue settlement. I note that there is a paper on school funding for the next committee meeting, but there is a particular issue on which I would like some guarantee from the Minister, namely the 0.6 per cent increase in pensions that employers will have to fund to meet the new teacher pension agreement. I would like an assurance that that will be going in on top of the money that is already in the budget, so that schools or local education authorities are adequately compensated.

[17] **Peter Black:** There was a mixture of possible priorities and questions there. I ask the Minister to respond to the questions, and we will return to the priorities at the end of this session.

[18] **Jane Davidson:** Okay. I will start with the foundation phase. When we discussed the budget last time, I indicated that the foundation-phase budget would grow dramatically this year, which it has—it has gone up to £7.5 million for 2007-08. There is also £5.2 million in terms of early years capital. Out of the £31 million Flying Start money, we have the capacity to use some of that money for capital, and also to ensure that the Flying Start areas and the foundation-phase schools feed into one another. So, we will also be expanding the number of pilot schemes in the foundation phase as a result of the Flying Start money.

[19] The particular issues around that agenda, on which I am focusing strongly internally, are the subject of some of the discussions that I know our Chair is concerned about, namely that we ensure that we put adequate training in place as we move towards roll-out in 2008. The Government is clear about the expansion of the funding, in terms of moving towards the roll-out of the foundation phase in 2008. However, that roll-out will obviously come into the next budget planning round, because that will be discussed in the 2007-08 financial year for the three subsequent years, because the comprehensive spending review information will not come to us until July 2007, as Sue Essex said in her letter.

[20] In terms of small schools, if you remember, last year, at the request of the opposition, we amalgamated three different budgets that were supporting small schools, and added an extra £0.6 million, I think, to increase the budget to £4.1 million overall. In terms of the RAISE issues, we have said clearly that small schools already get additional funding—they were the only category of schools that previously received additional funding. The in-or-out movement of an individual child in a small school dramatically affects the statistics, so, the statisticians advised me that the additional funding coming in, properly targeted by local authorities, would support small schools—and £4.1 million to be distributed among the small schools of Wales is a larger allocation proportionately than that which would be achieved by a small contribution from the RAISE fund, based on a small number of pupils in the small schools. We have always been happy to do that. As I said, because the small-schools budget contains funding from three previous allocations, it is designed to be flexible enough to enable individual small schools to use it as appropriate in their individual area.

[21] In terms of further education—and I will bring in a report on this to committee at some point—we are trying to look, at the moment, at what the expenditure on community

education is across the piece. It does not all come from one area; it is not just in the college sector, as it is also in the local authority sector and out in the voluntary sector. There is also substantial European investment in there, for example, because of the lifelong learning networks in different parts of Wales. We are going to undertake an exercise, and Richard Hart, the head of the division, may want to come in on the timetable for that work on community education. We will then bring a report to committee on that so that you can see the expenditure.

[22] We are in the third year of the national planning and funding system, as we move forward on that. Colleges have pretty much total discretion in terms of how they allocate funding to individual courses. We are undertaking a small pause and review at the moment and conducting discussions between colleges and the Assembly Government on the effect of the national planning and funding system. It is important to say that we have not finished the dialogue yet about the additional funding that will be in there for the further education pay initiative. That was something that the committee prioritised in the letter last year, and we have always paid that in full. However, it involves quite detailed individual negotiations with colleges in terms of getting information about appropriate staff. We will fund that in full again this year, and I think that that figure will be available before the budget planning round finishes, but it involves detailed negotiations with the colleges.

[23] You are actually seeing the information that has come from the committee service on the fact that a line has been identified for part-time support, which has £10.6 million in it to fund the Graham review. I am pleased that we were able to win that money last year, so we are confident that we have £10.6 million to fund the outcomes of the review. We will be discussing the review proposals and hearing from others later today, and I will respond formally on behalf of the Government in the autumn on how we are going to utilise that additional expenditure.

[24] Work has already been done on the historical funding issues, and that work was commissioned and agreed by all parties in terms of discussions on the allegations of there being a historic funding gap. The work commissioned by the Higher Education Funding Council for Wales initially found that, because all countries allocate their funding differently, it is difficult to determine exactly what the differences are between governments. I always find it quite odd that it is Plaid Cymru that wants to deliver exactly the same funding in Wales as in England, in terms of every single aspect of the education portfolio, when devolution means that we would have our own priorities. We are spending far more on student support in Wales, and this Government was proud to say in its manifesto that it would not introduce top-up fees during this Assembly term. We also have all-party agreement on the way forward. Far more is being spent on student support in Wales than elsewhere. We always have to look at where our priorities lie, as an Assembly and as an Assembly Government, in terms of investment in individual areas. The part-time support adds substantial additional funding to the higher education sector.

[25] I happily reaffirm, as I have done on three or four occasions—and I remind you that we have a verbatim Record—that what we have said about the Furlong review is that we will not destabilise any institution, which means that we do not have any proposals to take student numbers away. We are talking about funded student numbers, which means that the student numbers that are currently allocated to teachers will be moved over into other areas. We are looking in particular at all the areas that this committee has identified in education and support for para-education professionals, which includes not just teachers, but youth workers, counsellors and therapists—all the people that we know we have a shortage of in the system, and for whom we need to change the agenda for the future. At the moment, some of those subjects are not even graduate courses, so we are going to have to look to create new graduate courses to enable student numbers to be made available in some of those areas. We also have an increasing clamour for additional courses for higher-level teaching assistants, for example.

There are a number of such areas, and we will bring proposals to committee in due course. However, I reaffirm my commitment not to destabilise the institutions themselves, which we would be doing if we took away the student numbers. Therefore, we are not taking away the student numbers in that context.

[26] On the food strategy, there is £1.5 million additional revenue in the budget. Schools are already able to access money under schools' capital, and many have done so to improve kitchen and eating facilities in their schools. As someone who visits schools regularly, I do not often see a situation of there being no canteen space, and I would be grateful if you would write to me with specific examples from specific authorities and I would then be happy to take that up.

9.20 a.m.

[27] We will be publishing our report on 29 June and we are very excited by the legislative opportunities that are in the Education and Inspections Bill, in terms of Wales taking its own and proper decisions on the school food agenda. As you rightly acknowledge, school funding is not an area that we are discussing in the budget today, although we will discuss it in terms of my response on behalf of the Assembly Government to the report of the Committee on School Funding, and there will undoubtedly be areas that arise out of that report—and I have already discussed this with the Chair—that this committee will want to pick up for the future. There will also be other areas that the Local Government and Public Services Committee will want to pick up for the future. However, issues around school funding are the province of the Finance Minister and I will ensure that she is aware of your question.

[28] **Peter Black:** Before I bring William in, I just want to raise a point on the higher education funding gap between England and Wales. The Higher Education Funding Council for Wales, as I understand it, identified a gap of between £18 million and £26 million and, regardless of the political point about matching England and Wales and so on, the Assembly Government made a commitment to close that gap at some stage. Is the money in the budget going towards meeting some of that gap?

[29] **Jane Davidson:** I do not have the HEFCW report in front of me but, according to my memory, the gap was somewhere between £7 million and £14 million. Part of the issue was—and this is why further work is going on in this context—around comparators and what can appropriately, statistically be compared so that an accurate presentation can be given to the Finance Minister in looking at these issues through the budget planning round. I understand that that work has not been completed yet. Steve, do you have any more information on that?

[30] **Mr Marshall:** No, I am sorry.

[31] **Jane Davidson:** May I bring Richard in on the community development and other issues?

[32] **Peter Black:** Yes, very briefly.

[33] **Mr Hart:** In our operational plan for the first year of the new Department for Education, Lifelong Learning and Skills, 2006-07, we have included a review of community learning. Some of the community learning is grant-aided directly to local education authorities, and we have maintained that figure since Education and Learning Wales inherited that funding from local education authorities. More recently, it has been increased in line with inflation. Funding is also included in the national planning and funding system allocations to further education colleges. Some of the provision is put on directly by the colleges and some of it is the subject of a franchise arrangement, and we are trying to look at that in the round to

see whether we can rationalise provision and come up with a single common framework in which we can fund and plan it in the future. However, as far as the funding level was concerned—I made a note to myself to respond to one of the points made—the national planning and funding system has inherited the FE recurrent funding methodology in terms of relative programme area weights, or subject area weights. So, for example, we would judge a vocational programme, such as engineering, to be twice as expensive in terms of the cost of provision as community learning. So that would have a relative weight of 2 compared with, say, a conversational Spanish course, which might be a typical programme and which has a weight of 1. Those weights have remained constant since about 1994, because that is the relativity. The deployment of the funding units is a matter for the ‘P’ part of the NPFS—the planning part—where colleges and other providers are expected to respond to demand.

[34] **William Graham:** I do not usually like to start committee on a sour note, but the Minister is trying to rewrite history. As far as I understood it, the Welsh Assembly Government was quite prepared to introduce top-up fees, but an opposition motion prevented it from doing so. That is the reality of it.

[35] However, in terms of the funding for the Welsh baccalaureate, will the Minister identify the funding for administration study and the wider promotion of that? That has been a cause of concern in committee for a while.

[36] We have talked already about HE sector funding, and I am sure that all parties agree that an increase in research funding is vital if we are to make these institutions really excellent. The funding earmarked for the expansion of part-time study is a key part of the Graham review. We therefore ask that, in terms of the substantial additional costing, which will be necessary, this will not be top-sliced from the higher education budget generally. Could I have some answers to those questions?

[37] **Jane Davidson:** There has been a great deal of rewriting history; I quoted from our manifesto, which we, as a Labour Party, put to the people for the 2003 election, in which we said categorically that we would rule out top-up fees for this Assembly term. Not only did we say that, but we also delivered on it. I then enabled student support to be devolved to Wales so that we could take our own decisions. So, in rewriting history, you ought to be very clear about the fact that both of those decisions involve factual information about the historic base on which the Assembly was then able to take a decision. Of course, I commissioned the first and second Rees review, and it was the Rees report of the second review that suggested that we should look at beneficial arrangements for students from Wales, and the Assembly Government was extremely happy to support that view. This Assembly Government has said previously that, although it was broadly content with the all-party agreement, our interest has always been in the most disadvantaged learners and wanting to ensure that they get the greatest amount of support. I am sure that you will recognise that that is factually accurate as well.

[38] With regard to the Welsh baccalaureate, we increased that by £1.8 million for the coming financial year—it goes up to £4.35 million—and that is now being piloted at all levels, intermediate and advanced, and is coming through with the foundation level from September 2006. There is a great deal of excitement around in taking this forward.

[39] When I come to committee in July, I will bring forward the figures on key skills, because Wales is outperforming other parts of the UK in an absolutely extraordinary way, in the number of people gaining key skills. A reason for that is seen to be the Welsh baccalaureate pilot, because it mainstreams the key skills that employers say that they want in the qualification.

[40] On the review of part-time students, if you look at the information provided by

committee, you will see that, in annex C on page 12, there is a line for part-time student support, which had just over £4 million for 2006-07. We are adding a further £6.5 million for the coming financial year, so that, overall, there will be £10.6 million. I am sure that you will agree that that is a substantial increase.

[41] I have just seen the Assembly briefing from the Members' research service, which states that provisional figures compiled by HEFCW estimate a gap to be in the order of £18 million to £26 million in aggregate, but the financial analysis has not been concluded. I will bring the full financial analysis to committee when it is complete. However, one of the real difficulties has been if you take the funding per head, for example; because we have so many more students in Wales compared with our population, we actually fund higher per head of population for higher education than England does—substantially higher. That is why you have to be very careful in your use of statistics. The report that I saw around Christmas time last year had much lower figures in place than these ones. We should probably all be careful with figures until we get the revised and accurate projections from HEFCW.

[42] **Peter Black:** Thank you, Minister. I think that we will have the accurate figures from Dr Graham herself on exactly what her report will cost when we have the thing later on. So, we can compare what has been provided in the budget with how much she believes is needed for that review. We can look at that in more detail later.

[43] **Jane Davidson:** It is important to say, Chair, as she said to both you and me when she gave us the report, that her group and she wrote the report carefully so that we could add additional activities as funding became available. That is an entirely sensible approach, and there is substantial extra funding in that budget.

9.30 a.m.

[44] **Peter Black:** Of course, we have a Record here.

[45] **Jane Davidson:** Indeed.

[46] **Jeff Cuthbert:** I am particularly pleased to hear of the investment in the Welsh baccalaureate. At all three levels, it will show itself to be money very well spent and will bring benefits to future learners, which will be welcome. You have dealt with a number of the points and I do not want to duplicate them. However, in terms of money to be spent on RAISE, which I know is additional money at this stage and a relatively small sum in the big scheme of things, I would nevertheless urge that sufficient money be put aside for identifying good practice from those primary and secondary schools that are taking part in it now, so that projects and good new learning ideas can be rolled out to the rest of the schools in Wales as they are evaluated and worked through.

[47] I, too, support the calls for ensuring that community education is funded adequately and to the best of our ability. I note that many partners are involved in community education, quite rightly, not just the further education sector or community education, but also the voluntary sector such as the Workers' Educational Association. I trust that we would want to do all that we can to support the provision of adequate learning opportunities for adults.

[48] I hope that we give the basic skills strategy a key place in our funding, because it has been identified in a number of reviews that still far too many adults have serious problems with literacy and numeracy. That is undoubtedly holding back their ability to get good, well-paid jobs or to advance themselves through employment. This must be a key issue for us in terms of lifelong learning.

[49] Likewise, I want to ensure that there is adequate funding for our 14-19 learning

pathways as part of the collaboration agenda, but also that we build in quality mechanisms. We have had the Estyn report, particularly on work-based learning providers, which showed us that there were grave concerns about the quality of that provision. It is not just a question of money, important though that is; it is also about ensuring that, attached to the money, there should be means of ensuring that the quality of learning that is provided by work-based providers is up to scratch and enables them to be full partners in the collaboration agenda.

[50] Likewise, I want us to ensure that the key issues identified when we complete the review of special educational needs, phase 3, can be met realistically and that there is funding provision for the agreed outcomes.

[51] My final point is that there should be sufficient money to ensure that we have a thorough training needs analysis to ensure that post-16 vocational learning experiences are relevant to the Welsh economy and that they are evidence-based, so that working with employers and other key partners in that field ensures that what we offer young people by way of modern apprenticeships and national vocational qualifications is relevant to the economy and is likely to lead them towards employment or self-employment.

[52] **Jane Davidson:** It is absolutely right that the RAISE money should lead to practice across Wales. That is why, in addition to the funding going to individual schools, some funding has been held back to support school improvement professionals, seconded through local authorities, to work on a regional basis. Therefore, those people will be able to influence the local authorities in the areas in which they work in looking at school improvement practices.

[53] We also have the Wales-only legislative opportunity in the form of the partnership between the local authority and the school over whose responsibility is whose, in terms of issues around school improvement and the kind of support that the local authority will put in place for schools. So, we are very much looking at ways of making sure that all the good practice that comes out of this programme can be spread as widely and as quickly as possible.

[54] Another supportive initiative in this area is our national pedagogy initiative. Yesterday, I was delighted to attend the ceremony of the teaching awards in Wales. Wales does disproportionately well, having national winners that over-represent us as a small country, because we have so many very good teachers. One area that we focused on at that celebration was the opportunity for a pedagogical initiative, which is how we ensure that we have the highest quality of teaching and learning in Wales, develop skills, innovation and creativity in our schools, and support the professionalism of our teachers. The pedagogical initiative and the regional networks that we are setting up, as well as having a national pedagogy champion, will feed into the support for school improvement that will run alongside the RAISE programme. It also runs alongside another Wales-only initiative that is in the budget, which is our individual funding for continuous professional development through the General Teaching Council for Wales—not only for induction, but also for early professional development and individual opportunities for teachers. All of these things come together to create better teachers and share experience across the piece. We will be highlighting that through the national grid for learning.

[55] I have responded on issues around community education, and, like you, I see this as a hugely important area. People often take their first steps into returning to learning through a community education focus. I am delighted that the combination of partnership between the Corus money, for example, and more European money has led—particularly in your own area—to substantial outposts of the RISE network, which offer greater community education opportunities. I look forward to reading the evaluation of that initiative, which, I understand, has been extremely impressive in terms of learner advocacy and the large numbers that it has reached.

[56] On the basic skills strategy, we ally that with the skills and employment action plan, because the two things run very closely, side by side. We have allocated £19 million for this in 2007-08. The basic skills strategy comes out at about £40 million over three years. That is focused upon driving up skills in Wales through the development of well-targeted programmes, such as modern apprenticeships, raising skill levels across the piece, and improving our position on basic literacy and numeracy. It was interesting that the key skills figures—which I referred to and will bring to committee—demonstrate that Wales is increasing far faster than any other part of the UK, in terms of these skills bases. So, although we still have this residual population, particularly in the adult population, that we need to address, because we also have an all-age basic skills strategy, we have a much larger number of schools and are heading for our target of 100 per cent of schools gaining a quality mark for the consideration that they give to basic skills, and we are also taking these skills forward in the adult learning field.

[57] I emphasise, as we did in the work-based learning improvement plan, that we will be penalising poor quality from 2008 onwards; we have been absolutely clear on that. The work being done at present is to support the provider performance review programme, and to ensure that those providers will be up to scratch by 2008, so that we know that we are delivering at the highest level of quality.

[58] On special educational needs, I will shortly be making my formal statement in response to the second outcome of the review. Substantial money has gone into additional learning needs, and substantial additional money has also gone into post-16 additional learning needs. The training needs analysis, in terms of vocational opportunities, is a major agenda for Christine with regard to the 14-19 work, but it is also about how we ensure that our skills-based curriculum for those aged from three to 19 moves smoothly into further opportunities after the age of 19. I do not know whether Richard wants to add anything on training in terms of vocational skills.

[59] **Mr Hart:** We have a work-based learning improvement plan that picks up our contribution towards the skills and employment action plan. It is related to parallel initiatives, such as bringing work-based learning into the context of the national planning and funding system. You mentioned earlier how work-based learning can play its part in the network, and we believe that that will be much more effectively achieved once all of our post-16 education providers are funded and planned on the same basis, and so we are progressing that. You mentioned the Workers' Education Association as a voluntary organisation.

9.40 a.m.

[60] We do not treat it separately as a voluntary organisation because under the Further and Higher Education Act 1992, along with the Young Men's Christian Association and Coleg Harlech, the north and south WEAs became designated institutions and are members of Fforwm. Therefore, we treat them as if they are members of the FE sector, so they are fully funded via the national planning and funding system mechanism.

[61] **Jane Davidson:** Broadly, on the figures, in terms of additional learning needs pre-16, it is £16.4 million, and post-16, it is £20.5 million.

[62] **Peter Black:** In terms of RAISE and the main expenditure group transfers that took place in Plenary, they do not appear in the budget, as far as I can see. Will they appear in the budget at a future date?

[63] **Jane Davidson:** Yes. They appear in the committee's allocation of the budget.

[64] **Peter Black:** Can you show us where?

[65] **Ms Nedin:** The paper that we produced for the committee is the final budget. The RAISE money and some other Government transfers for the Open University were transferred in May and I have not put them in this, because this was the published final budget.

[66] **Peter Black:** So they are not in this committee paper?

[67] **Ms Nedin:** No, but I understand that they are in the Members' Research Service paper.

[68] **Peter Black:** Of course, the Members' Research Service paper is just for Members; this is the Government's paper, which is the important one.

[69] **Ms Nedin:** That is the published final budget.

[70] **Peter Black:** So by the time it comes back, the figures will be in there?

[71] **Ms Nedin:** Yes.

[72] **Christine Chapman:** Last week, I spoke at the Education for Sustainable Development and Global Citizenship conference, and it was very good to hear that there is good practice happening around Wales now with schools and teachers. However, there were some concerns about the funding, and I think that those attending wanted some clarification that the commitment to sustainable development is there.

[73] **Jane Davidson:** In the Assembly Government's sustainable development action plan, two actions in particular fall to our portfolio. The first one is in terms of Building Research Establishment environmental assessment method standards. From January 2005, it will be specified in all contracts for new and refurbished public buildings procured by or for the Assembly Government that the design achieves, as minimum, the BREEAM 'very good' standards. For the purposes of this committee, that applies to school buildings. So it is a condition of the school buildings improvement grant that when authorities draw up proposals they have regard to the principles of sustainability and apply the BREEAM school standards. The second major area in terms of the sustainable development action plan is in terms of school meals, and we are launching the 'Appetite for Life' report on 29 June in light of the consultation document and its subsequent action plan. In addition to the funding that we have already outlined—and this is not just in my portfolio; it is in Brian Gibbons's portfolio as well—consideration will be given in future planning rounds to the funding implications there.

[74] In terms of our sustainability education action plan, £200,000 is available at the moment and we currently use that funding to support that agenda. Many of those actions will have a cost in terms of additional resources for the school curriculum, and we will fund those as they come on stream because this is about mainstreaming the whole agenda into schools, further education colleges, higher education and other providers. So, we will be able to utilise funding from other areas as well as we do that.

[75] **Peter Black:** Before I bring Janet in, on the capital papers, one of the recommendations of the Committee on School Funding was that more of the school capital money for improving schools should be hypothecated to ensure that that money is spent in that way. I noticed that of the £139 million for next year, £55 million is in general capital funding, which is not hypothecated in that way. Will you be considering altering that in the light of the Committee on School Funding's report?

[76] **Jane Davidson:** I will be responding to the Committee on School Funding's report in

Plenary on 12 July—I understand that that is the date the committee has chosen for that debate. However, I am also bringing a paper on 5 July around school capital funding. When we have that information in front of us, we will look at those issues then.

[77] **Peter Black:** Committees do not tend to be able to choose their Plenary debate dates, unfortunately.

[78] **Janet Ryder:** Can you clarify where the money for the all-Wales youth agency is sitting, and where the money to roll out your youth strategy will be?

[79] **Ms Nedin:** The youth money is within the support for ‘Extending Entitlement’, so it is within that budget expenditure line, at £4 million.

[80] **Peter Black:** Are we happy with that response? The last contribution was very quiet—I am not sure whether everyone in the audience heard that.

[81] **Janet Ryder:** I just wanted to identify where that money was sitting.

[82] **Peter Black:** I will try to draw this together, because our job is to try to find some priorities. I have written a list, as people have been speaking, of things that have come up. I will go through the list, and Members can then have a think about whether they want to include those things in the committee’s priorities or not.

[83] We have had reference to the foundation phase and small schools, and several Members have mentioned community education in the FE sector. Higher education has been mentioned, particularly in terms of part-time funding, which, although it is in the budget, does not stop us saying that it should be a priority. The funding gap pledge that was given to the Assembly previously has also been referred to, and capital for schools has been referred to by at least two Members. We have also had reference to the basic skills strategy and the committee’s SEN report, which may be worthwhile highlighting as a priority because that would follow through from our work. Jeff also raised the training needs analysis for post-16 provision.

[84] That is the sort of list that we have. I am happy to write to the Minister, saying that all these should be a priority. There is much more in the education budget than this, but it is useful to highlight those areas as areas that the committee has concerns about. Is there anything on that list that Members would like to take off or add to? I see that there is not. Are we going to go for the full list then? I see that Members are happy with that. I will write the letter to the Minister, as usual, highlighting that, and the Minister will also have the Record to draw on in terms of the detailed comments around each item.

9.49 a.m.

Adolygiad Graham—Tystiolaeth gan Dr Heather Graham a’r Athro Robert Pearce

Graham Review—Evidence from Dr Heather Graham and Professor Robert Pearce

[85] **Peter Black:** We have a series of guests and contributors today on the Graham review into part-time higher education study in Wales. Members will, hopefully, have the report, as well as the summary of the report. I believe that Members have also had a briefing note from the Members’ Research Service on this, which has been helpful. We will also have several other organisations coming in and giving evidence later on.

9.50 a.m.

[86] Good morning, Dr Graham and Professor Pearce and welcome to the committee. As you know, we will spend the rest of the meeting looking at your very useful report on the independent review of part-time higher education study in Wales. I will mention a few housekeeping issues, in case you have not been to committee before. I am not sure if any Members will use Welsh, but they are able to do so. Channel 1 on the headsets will give you the English translation. We will produce a verbatim record, which you will be able to look at before it is published on the web, to ensure that it is completely accurate, which it normally is. Perhaps Dr Graham can give a brief introduction, and we will then open it up to Members to ask questions.

[87] **Dr Graham:** I will try to give a brief introduction to a long report. First of all, thank you for inviting us to attend—it matters a great deal to us—and for giving us the opportunity to reply to questions, of which I am sure there will be many. I introduce my colleague Professor Robert Pearce, who was a member of the group; we will be working on the questions together.

[88] The report is complex. To be honest, it could not be otherwise, given the subject area. The analogy of a jigsaw was very accurate. I asked the designers to make it look as if the pieces fitted together, because they did not in the first one—it was the wrong message to give. So, it was a jigsaw. Over eight or nine months, we collected an enormous amount of evidence from research, stakeholders and presentations to the group, and, as I say in the report, the amount of effort put into giving that feedback was considerable, and we were anxious to ensure that we did not ignore any of it. So, we listened, read and interrogated the information, and the recommendations that we have made are based on all of the evidence.

[89] Briefly, the major points to emerge were the value of part-time higher education to the individual, the community and the economy of Wales at large. Given the changing demography, with an ageing population and the reducing numbers of 18-24 year olds, the importance of part-time education is likely to grow rather than decrease. We thought that that came out very clearly.

[90] The second point to emerge was the complexity and diversity of the part-time sector. All of the evidence on that indicated that a single, rather simplistic fees structure across the whole piece would not be effective and could not work.

[91] The third point to emerge was that there were certain elements of the existing provision which worked well. We are not in the business of uprooting things that work. Two of those were the fee waiver scheme and the credit-based funding, which received a lot of praise in the evidence that we received.

[92] The fourth point to emerge was that provision and support for part-time education needs to have the agility to respond to local needs and to changing patterns of study for individuals and for the things that HE institutions want to put on in terms of courses. It needs to be responsive, and so a heavy hand is not the way to do it.

[93] The fifth point to emerge—and this was core to everything that we did—was that support for students should be fair, clear and easy to access. That was a very strong message that came through, in that it should go to those who most need it, it should be clearly publicised and that student access to it should be through a one-stop shop, namely the HEI, so that students do not have to fill in endless forms and go to endless places.

[94] The sixth point to emerge was that part-time study is much more contextualised than full-time education. It cannot be divorced from its environment. It is part of the community,

the way in which the local community works and the employment sector. It is very much contained within all of that.

[95] In response to those points, our main recommendations fall into two areas. That is not to say that the other recommendations are not important, because they are, but it is just for clarity. Issues such as the Welsh language and widening access underpin all of our recommendations, so they are a given. The main group of recommendations is the model which combines the existing credit-based funding with a block-funding grant; the purpose of that is to enable institutions to keep part-time fees at an affordable level for students and to ensure that they have continuity in their widening-access areas. It also enables them to respond to market factors, so it gives them flexibility. The other main area is support for students, and, as I have mentioned, the need for clarity and easy access to that is important.

[96] To summarise, we believe that we have identified a way forward that combines clarity and fairness—because fairness is crucial—with an appropriate level of autonomy for HEIs, which will enhance the part-time student experience. That is what we aim to do. So, that was not a very brief summary—it was longer than I intended.

[97] **Peter Black:** It was absolutely perfect.

[98] **William Graham:** I start by saying what an excellent name that this review has; I suppose that I had to say that. Clearly, public funding of higher education in Wales is based on the premise that a strong and well-resourced HE sector will make a major contribution to the Welsh economy and to the health of civil and cultural life in Wales. Is it supported by the Assembly's decision not to introduce top-up fees for Welsh HE institutions and does your preferred model, model 6, reflect the anticipated financial support? I also have a few more questions.

[99] **Dr Graham:** Is this on the level of support for part-time students?

[100] **William Graham:** Yes.

[101] **Dr Graham:** We looked at the comparison with full time, and from the emerging evidence, it became clear that a simple replication of full-time provision would not be effective for part time, partly because of flexibility and agility, the different levels of fees and the responses to different market areas, and also because of widening access, which is an important factor. So, going along with the evidence, we did not feel that it was appropriate to reflect full-time provision directly.

[102] **William Graham:** We all have to read these reports, and, I must say that this is a particularly clear one. The executive summary was helpful to us all, I am sure, as they are when one gets these things. We have discussed this in committee before, and it is worth repeating what was said in the Leitch report, that 70 per cent of those who will be working in 2020 are already over 16 years of age, and beyond compulsory education age. So, are we addressing the issues of today, or will your recommendations take a long time to feed through and to be of real benefit?

[103] **Dr Graham:** They will have real benefit if the recommendations are accepted in year one. One of the suggestions that we make is that it should be graduated over three years to reflect full-time provision. But, one aspect that will be effective is that, if we can create a solid, well-resourced, predictable part-time market, it will have the ability to respond to those demographic changes as they take place. The year 2010 is probably the moment at which the balance between the 18-year-old and the more part-time, older adult market will start to show. What we recommend gives a baseline from which that can continue to develop and take account of that change.

[104] **William Graham:** Finally, we have talked much in the committee about parity of esteem for the part-time learner. It is implicit in your recommendations, but would you like to enlarge on that a bit?

[105] **Dr Graham:** We talked about parity, and what came out of the evidence and from our discussions was that the part-time sector is different from the full-time sector. If we are talking about parity of esteem, it does not necessarily mean an exact parity of provision. The part-time sector is more responsive, it is less predictable in terms of students registering for long-term programmes of study, and it has a tremendous support purpose in the community. So, although the qualifications for many students end up as being the same, they are done over a longer period of time. In many ways, it serves a different market and draws people into higher education. So, we needed to find a method that could facilitate that, rather than simply assuming that part time was another version of full time, because it is not. It is very different to full time, and has a different purpose. That is not to say that the two do not meld, but they should be equally respected rather than treated exactly the same. That is what came out of the evidence.

10.00 a.m.

[106] **Jeff Cuthbert:** I too found this a very interesting piece of work and I well understand the complexity of the task that you faced. I want to add my congratulations to you on the production of this report.

[107] On recommendation 11 on entitlement, on page 18 of the executive summary, you refer to very low credit volumes:

‘A number of stakeholders felt that free tuition for very low credit volumes would be beneficial.’

[108] Can you clarify what you mean by ‘very low’? Are we talking about an entry-level qualification or units from a qualification like an NVQ? What do we mean by ‘very low credit volumes’?

[109] On recommendation 13, on employers and higher education, the third bullet point refers to

‘a bursary scheme to enable employees of SMEs to undertake part-time study’.

[110] Would you put any qualifications on that, perhaps in terms of the income of the employee? Would it be means tested or are you thinking of a scheme that would be universal: as long as someone works for a small or medium-sized enterprise they would qualify for a bursary? I know that it is for part-time study, but would it depend on the nature of the course being studied, whether it was, for example, specifically requested—possibly a bespoke course requested by an employer—or a more general course of study?

[111] May I link that into a paragraph that appeared on page 10 of the executive summary? In the last paragraph, under ‘Diversity of Part-time Study’, you refer to smaller volumes of credit again and you have a sentence saying:

‘That may or may not continue but if it does it will have an impact on questions such as the importance and achievability of graduateness.’

[112] I think that ‘graduateness’ is a marvellous word. Do you have information from employers about how they see that? With part-time study, if more and more bespoke courses

are requested by employers, as I expect to happen, they may not be concerned as to whether or not it leads to graduation, only that the person has the knowledge that they require them to get from the course. That is speculation on my part. Do you have information from employers on how they view that issue?

[113] In recommendation 17, 'Data Base for Part-time Students on Future research', you point out, quite rightly, that the information that you have so far is on those who are in learning. Of course, we also want to capture those who are not in learning, who feel that it is not for them. Do you have any ideas at this stage—it may well be that you do not and that that is why you are proposing a bit of research—about how we can draw in those students, particularly those from the more disadvantaged areas who could benefit from part-time study, but feel that it is not for them?

[114] **Dr Graham:** I will try to answer in the order that you asked the questions. Entitlement was an interesting one. We had a lot of discussions around that. It arose from looking at some of the Australian provision, which is interesting in terms of entitlement to higher education throughout a lifetime. It would be a massive step and it would be enormously expensive, but it seems that the concept of entitlement was an interesting one that was important to hang on to. One way forward might be to have a contained pilot scheme to see how that worked over a period of five years. The intention was, precisely, less to do with the credit volume, although we thought that we should probably use 10-credit volume. It was more to do with encouraging people from all walks of life, who might not otherwise have thought of putting their toe in the water of higher education and to see whether, over five years or so, that had an impact on participation in the area chosen for the pilot. That was the thinking behind the entitlement area.

[115] On employers, we tried hard and put a lot of effort into trying to engage employers in responding to us and giving us their views; we failed, largely, I am afraid to say. We did get a very small number of responses, but throughout we were very aware that one of the important aspects of part-time higher education is that we have to keep the employers engaged. We have to keep them on side and we have to keep them sponsoring and supporting their employers to continue developing themselves within the work that they do. So, that was underpinning all of it. As I say, we had very little evidence from the employment sector, but what we did have suggested that certain numbers of employers do provide very effective support. One of the main barriers to support seems to be not so much around supporting with fees but support in terms of allowing time off to actually do the studying. So, that came out as a barrier for the employers. Even so, we felt that whatever we came up with had to be supportive of the engagement with employers.

[116] As far as small and medium-sized businesses are concerned, the idea of a bursary arose out of the feeling that, again, with part-time education, it cannot be treated in a vacuum; it needs to be treated in the context of employment and of all sorts of other things, and employment is a major one. So, the idea of engaging the SMEs through some bursary scheme or another proposal was one way of doing that. It was also a method—in terms of Government policy or objectives—whereby the direction of the bursary could be put into certain subject areas and professional development areas, so that it would give a flexibility to use resource as fitted the economy at large or the local community. So, that was part of the thinking there.

[117] You mentioned drawing in students from disadvantaged areas, and students who would not normally consider undertaking higher education. That, again, underpinned a lot of what we did. One of the areas that we looked at was the European funding, which is going to cease before long and which has kick-started a number of really imaginative projects, such as the Community University of the Valleys, east and west, some of the Newport work and some of the Bangor work. We were concerned that, when that ceases, there will need to be a

mechanism by which universities can continue to make that provision. That is part of the thinking behind the block grant, and, because they would be providing it in their local environment, with that support, it would have a longer life than the short-term, European-funded projects. So, that was underpinning that. Does that answer it? It was a very long question.

[118] **Jeff Cuthbert:** I apologise. Yes, I think that it does.

[119] **Professor Pearce:** I will add one or two points, if I may. I think that you were asking, essentially, how we reach student groups that we are not reaching terribly effectively at the moment. The evidence showed us that, in trying to reach disadvantaged groups, trying to get them to cross that initial study threshold is one of the most difficult tasks, and every barrier to getting students into their first experience of higher education that you can reduce is a well-taken step. One of the things there—and many universities are already doing this—is to offer free courses as the first step, and so we were conscious that that area needed to be protected, and considering the question of entitlement is one way of achieving that. That is particularly important when you are looking at disadvantaged community groups.

[120] One of the other areas where we were conscious that it is difficult to get students started is in the employment area with small employers. Large employers find it easier to finance study for their employees and to give them time off, but it is much more difficult for SMEs. We do not have a magic bullet that will cure it, but we do think that some form of incentive to SMEs might help to persuade employers to release their staff for engagement in HE. We think that that is an area that is well worth exploring, but, at the moment, we do not have the precise details of how that could be done.

[121] **Dr Graham:** I will just go back to the contextualisation of part-time education. Figures show that, for 85 per cent of part-time students, the reason for their doing it part time rather than full time is because they cannot afford to give up the employment that they are in. So, that, again, gives a sense of how important it is to the economy as a whole and to communities. The question of entitlement was interesting; we had some fascinating discussions around that.

[122] **Peter Black:** Do you want to come back, Jeff?

[123] **Jeff Cuthbert:** Briefly, if I may. Thank you for those very helpful answers. It is very disappointing to hear yet again that the employers are not engaging. Last time we met, information was given to us on the special education needs review, on which the Confederation of British Industry felt that it had no evidence to offer; I found that disappointing and worrying, and I find it equally so in this case. We ought to make some representation, in whatever way that we can, to employers' organisations that this will be of benefit to them and that they ought to take these issues seriously. I am not saying that they do not, but if they are not giving evidence and collaborating with us, then their needs may not be addressed, and that would be a great shame.

10.10 a.m.

[124] On the issue of European funding, we know that we will have convergence funding from next year, and that will undoubtedly be strategically driven. What thought has been given to tapping in to that resource? You mentioned European funding coming to an end, and it is true that this round will come to an end, but that does not mean to say that the funding is necessarily over. Can you deal with that point?

[125] Finally, in terms of disadvantaged groups, has thought been given to working in collaboration, for example, with Communities First partnerships? In my area, Ystrad Mynach

college has seconded an officer, almost full time, to work with Communities First partnerships to highlight the value of adult learning. Admittedly, that is on the FE side, but I had a meeting with senior officials from Cardiff University not too long ago, and I suggested the same thing to them. They assured me that they were aware of it and that they would address it, and I will take that at face value. However, that seems to offer a way forward—and I welcome your response—for the HE sector to perhaps engage with those areas to provide examples of good practice and use the partnerships, which is only one example, to carry the message.

[126] **Peter Black:** Is it not the case that HEFCW has set targets in terms of students from Communities First wards in higher education? As a supplementary question to Jeff's, what is the part-time engagement?

[127] **Dr Graham:** First, on the European funding, clearly, none of the recommendations would exclude bidding for European funding. In terms of Wales and the economy and getting money from Europe, it is crucial that we do that. Several interesting concerns were raised about European funding, one of which was the immense bureaucracy and the slightly double-edged sword of European funding, and that it is not always the massive advantage that it might at first be perceived to be, because of the staff time involved in simply servicing it. That was one aspect.

[128] We wanted to create a stable situation that would be enhanced by European funding, rather than a situation that depended on application for European funding, as and when it occurred. I think that it was an underpinning stability of provision for widening access and higher education across the board, and anything that gave extra funding from Europe should, obviously, be seized with both hands, if possible, but should not be allowed to distort that stability, because that was something that we were worried about. Wonderful projects were being started, but then there were not the means to continue them, and, so, a lot of expertise and commitment was being wasted, and that worried us. That is the European funding side of it.

[129] On working in the communities, Robert, do you want to talk about the block grant, because that was part of the intention, was it not, to allow HEIs to work with local communities?

[130] **Professor Pearce:** Yes. You were raising specific initiatives, and we did not, as a group, see it as our task to look at specific initiatives for taking forward widening access; we saw it as our task to create the framework within which to make that possible. We believe that our recommendations create a framework that is flexible and adjustable, and will support the delivery of initiatives in widening access. It will support bids for European funds, if they are needed, because institutions are given the flexibility under our proposals to adjust the way in which they use the funding appropriately. It would also enable institutions to choose to subsidise, if necessary, initiatives in areas in which they feel that there is a particular social need.

[131] **Christine Chapman:** In recommendation 16, you talk about postgraduate study, and you obviously took the decision not to embark on any specific study of this, I think. You said that you felt that such research should be undertaken in future. Did you have a sense that this should be something fairly urgent or that it could be left for a little longer? What sense of urgency was there?

[132] **Dr Graham:** We felt that it was quite urgent, because, in terms of many of the continual professional development areas and the existing workforce and so on, quite a lot of updating and postgraduate study is needed. In a sense, it links with the previous qualifications concerned because, again, looking at the changing demography and the workforce, and the

fact that people will need to constantly upskill and so on, to be debarred from future support because you have done a previous degree will not necessarily be appropriate in the future. The point is that it will be means tested so that you will only be supporting those who really could not update under their own steam, so to speak, or with the employer's support. We felt that it was part of the continuum of development, which will continue for many years to come. So, I think that it is important to look at it fairly soon.

[133] **Professor Pearce:** On the undergraduate level, there is an immediate problem for part-time students because of the changing methods of funding for full-time undergraduate students. There is no imminent change in the funding arrangements for postgraduate students, but the area still needs to be looked at because there is emerging evidence, although it is not 100 per cent clear yet, that some students may be put off postgraduate study by the increasing levels of debt that they are carrying from their undergraduate studies. So, it is an area that will require examination. However, it did not have quite the same degree of urgency as deemed with the undergraduate issue, which is why we felt that it was more important to spend the time that we had on looking at the undergraduates.

[134] **Dr Graham:** I think that, in terms of our sanity, we decided that we had to focus on the undergraduates in terms of the depth to which we could do it, to be honest.

[135] **Christine Chapman:** Do you see this as—*[Inaudible.]*

[136] **Dr Graham:** I think that we did.

[137] **Peter Black:** Okay. Lorraine?

[138] **Lorraine Barrett:** I am substituting today, so I have not read the whole report, but I have gone through the recommendations. I would like to go back to the employers and recommendation 13. I echo Jeff's disappointment about the disengagement of some employers. It was a huge piece of work, so I am not being critical, but did you only go through the Confederation of British Industry, because there are other avenues such as the Federation of Small Businesses, the chambers of commerce, co-operatives, and those sorts of employer bodies? In terms of the public sector, you mentioned the local health boards, which, I assume, had responded. What about local government, particularly the health service, the Welsh Assembly Government and those areas of employers? Was the public sector engaged at all?

[139] **Dr Graham:** We went to the Federation of Small Businesses and the Confederation of British Industry. After much negotiation, they offered to send out questionnaires. We had a fairly carefully worded questionnaire. In practice, you are absolutely right; it was mainly the public employers that actually responded. I think that that is correct. Overwhelmingly—and it is all relative—we had 12 responses. It was largely public employers that responded. They were good employers; the indication was that they were supporting their employees. One of the situations is that quite a lot of the training is statutory in any case, so there is no choice. It is this business of trying to engage the non-statutory training and upskilling that I think we were anxious to try to do.

[140] **Janet Ryder:** I wish to take you back to the issue of European funding. You have talked about quite a number of projects that are relying on European funding and trying to move away from that short-term European funding and the possibility of it not being sustainable. Can you provide us with evidence of where those courses are throughout Wales and the types of courses that they are, and the length of funding that goes with them. Is that information available to you and could it be provided to the committee?

[141] **Dr Graham:** It can be provided. We have details of a number of the projects. One of

the projects presented was the bettering women's education, health and lifestyle project, to which I refer in the report. It was a very interesting project, run through Newport, for women returning to work. A lot of work has been done by the Community University of the Valleys—East, which is based around the south east, and the Community University of the Valleys—West, which is around the Swansea area. Bangor also has quite a number of projects. All of the presenters from all of those particular areas expressed concern about short-termism and anxiety about not being able to continue running the sorts of projects that they had set up.

[142] **Janet Ryder:** Are you satisfied that the recommendations that you have presented will provide continuity for courses?

10.20 a.m.

[143] **Dr Graham:** One thing that we were keen to have incorporated into the report was that we would assume that the feedback to the funding council would identify what universities were doing in that area. There would also be a monitoring of continuing widened participation as part of the annual feedback.

[144] **Janet Ryder:** Could I ask you about the profile of the part-time student population? I appreciate that the part-time student population is incredibly wide, but I do believe that one thing that you were going to try to do was produce a profile of the population. When we talked about the full-time fees arrangements on this committee, that model proved crucial in the end as to what kind of things were, and were not, possible. So, can you now provide us with that? Have you got that information, and can you give us a breakdown of the part-time population across Wales, area by area, and perhaps even course by course, or even block areas, if you like?

[145] **Dr Graham:** We have a lot of information on qualification aims, on individual institutions and on the sort of provision that they make. We have quite a bit of information on what we call a 'segmentation' of the part-time market, and there are a number of clear groups. There is the group that is studying to advance its own employment prospects, and a group that is studying to comply with the employment requirements, which is different. There is a group that is studying to change career, who have been made redundant or whatever, but, again, they have a work-based focus. Then there are two other groups that are working on individual motivation: one is to do with self-development and leisure, and the other to do with a particular interest in the subject. So, there are clear segments, but it is difficult to pin those down across the board into distinctive categories.

[146] **Janet Ryder:** Can you also give an age demography for each of those?

[147] **Dr Graham:** Certainly, the older market tends to be more towards the leisure and interest market, which is the over 50s. Yes, we have breakdowns for ages in terms of those segments.

[148] **Janet Ryder:** Would it be possible for the committee to have those?

[149] **Dr Graham:** Yes, certainly.

[150] **Janet Ryder:** Finally, the Minister clearly said that there is £10.6 million in a budget line to support these recommendations. Are you satisfied that that amount will meet the recommendations, if they are taken?

[151] **Dr Graham:** We are satisfied that we have created a model that can be operated at different levels. We are also satisfied that we have created a model, which, in terms of

reflecting the full time—without necessarily being exactly the same as full time—can be implemented over three years, because the full time will not take effect over three years, in practical terms. We also have a lot of research into the current fees that part-time students are paying, and the way in which higher education institutions are currently supporting them, and how they are managing to provide fees that are below a comparable full-time level. It would always be nice to have more money; we would not claim otherwise. However, I think that we have created a model—and I will let Robert talk about this, because he is great expert on it—which can be operated at different levels of resource input, without damaging structure. That structure is to do with the credit-based funding together with the block grant, which actually enables the sort of flexibility that we are talking about.

[152] **Janet Ryder:** So, what level would that budget provision of £10.6 million put in?

[153] **Professor Pearce:** Do you want me to tell them about that?

[154] **Dr Graham:** Yes. We did the sums, did we not?

[155] **Professor Pearce:** I am not going to give you a straight answer, because I do not think that it is an issue for us. I think that it is an issue for the Assembly to decide how much or how little it chooses to spend. We have looked at the brief that we were given, and seen that one of the overriding considerations is that part-time study is valuable—we were told that in the terms of reference, but independent evidence confirms it—and it is important to maintain the current quantity and quality of provision. The difficulty that we face in the future is that, with the funding for full-time undergraduate students going up, the amount that institutions receive for part-time students will be proportionately less. That is likely to have one of two consequences—institutions will either say ‘We are getting less money for this, so we will not do as much, or maybe we will not even do any’, or say ‘We will stay in this area, but because we are getting less per credit, we cannot spend so much per credit as we do on full-time students and, therefore, the quality is likely to suffer’. So, the question is how much money is necessary to maintain quantity and quality, and it is impossible to give an absolutely firm answer to that.

[156] One answer would be that, logically, part-time students should earn for an institution as much per credit as a full-time student because, if there is any difference at all, it is likely to be reflected in a difference in quality. We think that institutions probably are prepared to cross-subsidise to some extent where they have full-time students, and that, again, to some extent, they can adjust their provision to reflect the levels of income coming in without having an undue impact on quality, even if the income levels are not exactly the same. However, how much less is a matter of judgment, and it is as much a matter of political judgment as it is of economic judgment. We guesstimated—and it can be no better than an informed guess—that increasing the revenue for part-time students by roughly three quarters of the amount that will be increased for full-time students would be enough to preserve quality and quantity. That is, full-time students will be earning in tuition fees, on a full-time equivalent basis, £3,000 per year from next year. Part-time students are paying fees that are based around the current full-time fee level of £1,200 a year, so there is an £1,800 difference. We believe that it is not necessary to meet the whole of that £1,800 difference and something less would probably be sufficient, and we pitched it at a range of between £1,200 and £1,500.

[157] It is quite easy to do the sums on this. In 2003-04, there were 41,600 part-time students, but because they are not studying at the same level as full-time students, it does not reflect that in the full-time equivalent. The full-time equivalent number was 13,106. If an additional funding stream were introduced that compensated institutions for the fact that they will not be able to get the same fee levels as part-time students—because we do not believe that it is possible to increase fee levels; there is firm evidence to show that, which is cited in the report—and an additional funding stream were given, which was worth £1,500 per year

for a full-time equivalent part-time student, the cost would be 13,106 times £1,500. I have done the sums for you: that comes to £19.6 million. However, that is the eventual cost if that solution is adopted. If you introduced that over three years, the cost in the first year would be £6.6 million, and, if you are looking at an allocation of £10.6 million, that would still leave money over for dealing with the other recommendations in the report. However, it is entirely a matter for you to decide what is appropriate. We believe that further evidence is needed through a consultation with the HE sector to verify that our guess about the level of the additional income stream is right because, clearly, it would not have been appropriate for us to be discussing specifics like that before the report was published, and some consultation, which need not take a great deal of time, would be needed to verify the figures.

[158] **Dr Graham:** The other side of the expenditure would be the student support, and that is a major one. The main difference there—and again, it is partly to do with the business of keeping the 10-credit volume and keeping students engaged—is that it would be means tested from 10 credit points upwards rather than from the 50 per cent study at the moment. We felt that it was quite important that the 10-credit volume upwards should be supported with student support. It is difficult to have exact figures because no-one knows the take-up, which might increase dramatically, but the indication is that it would not put it far outside the total figure that you have mentioned, added to Robert's point about the funding stream.

[159] **Peter Black:** So, you are saying that that would cost £4 million?

10.30 a.m.

[160] **Dr Graham:** The figures have not been produced finally because, of course, it is unpredictable, but, looking at the figures that have been produced so far, it does not look as though it is too far outside that.

[161] **Peter Black:** So, if the £10.6 million were issued for the year 1 on the model, and then the remaining £4 million were spent on the entitlement, there would be very little money left over for the other recommendations. Is that right?

[162] **Dr Graham:** The other recommendations do not have huge amounts of resource implications. One of them, for example, is on means testing. We were quite keen for that to be looked at again, because it is quite a blunt instrument and we were concerned about it, but that is a much broader issue.

[163] In a sense, we wanted to spread the expenditure a wee bit, because we thought that working on business with the other department, for example, was important—the idea that HE should carry the whole load of business-related development did not seem to be particularly relevant. So, we feel that that should be spread.

[164] Running the entitlement pilot in the first couple of years would not be particularly expensive. The financial implications of the rest are not enormous. On the Welsh language one, for example, we felt unable to make very specific recommendations because of the review that is going on at the moment, which is a very extensive review and the results of which will be published imminently. So, we felt that we needed to wait for that to come out.

[165] **Peter Black:** Okay. That is fine. Before I bring the Minister in, I will ask a question on the preferred model. In the Rees recommendations, the recommendation was that the money would, effectively, follow the student because we would be subsidising the tuition fee for a Welsh-based Welsh student. However, you are going down a different route by saying that the money should go to the institution for general use. I understand that there are complexities involved. Could you outline why you chose that particular route rather than the other route that Rees opted for, for full time?

[166] **Dr Graham:** I will just say something briefly and then hand over to Robert. On the Welsh domiciliary point, we did not go down the Welsh domicile route partly because 85 per cent of part-time students are Welsh-domiciled, so it is a very different complexion from full-time students. Furthermore, we did not want to adversely disadvantage those who take in a lot of English students. We wanted a reasonably equitable approach across the board, so we did not go down that route. Robert will pick this up, but we went for the block grant institutions largely because we wanted to create this agility that we talked about. So, on the one hand, you had the student-related input, namely the credit-based funding, and, on the other, you had the capacity to respond to changing markets, changing study patterns and changing local demands. Did you want to pick that point up, Robert?

[167] **Professor Pearce:** The purpose of the additional funding stream would be to keep fees for part-time students at affordable levels. We believe that monitoring is needed to ensure that the funding is still being used for that purpose. We would expect there to be a slow upward drift in the average level of fees charged to part-time students, because the evidence shows that the optimum fee, which is how it was put in the research conducted for us, for part-time students, is £600, for a student who is studying half time. That is exactly half of the £1,200 fee paid by full-time students. We thought that it was no coincidence that the figures bore such a similarity. With the fees for full-time students increasing to £3,000, we believe that that will change the perception of part-time students and that, over time, they are likely to be prepared to pay somewhat more. If institutions do charge higher fees, the need to subsidise them to keep fees down is reduced. Therefore, the level of the additional funding stream should be adjusted, again, over time.

[168] On why we believe that it was inappropriate for the funding to follow individual students, Heather gave the reason for that. The market is so complex that it would have required a very sophisticated classification of students into different segments in order to say, 'For this student, that solution is appropriate; for another kind of student, that solution is appropriate'. That would have been almost impossible, particularly since the segmentation is based only on averages rather than on clear-cut provisions. Many students will have mixed motivations for studying, and their motivation may change. There was considerable evidence that, even in the case of those students who were studying for personal reasons, because they would gain enjoyment from it, and who may have no qualification aim at the outset, many of them go on over a period of years to study for a qualification and end up with improved health or in employment as a consequence. So, a segmentation is taking a snapshot, but it is an inaccurate one. Therefore, we felt that any system has to have a degree of flexibility or agility, as we describe it, to meet individual circumstances. Those judgments are best made as close to the level of provision as possible.

[169] **Dr Graham:** I would like to pick up on your point about cost. One additional element of cost is the proposal for a part-time premium. There was a lot of discussion and we had a lot of information about whether it was more expensive for higher education institutions to provide part-time education than full-time education. There was a lot of anecdotal evidence that suggested that it could well be for reasons such as additional counselling, additional hours and so on. However, there was no hard statistical evidence that it costs more. A large piece of documentation has been produced by J&M Consulting, which suggests that it does, but, again, harder evidence is needed before we can justify that. However, the idea of the part-time premium was related to the idea of the one-stop shop, whereby the students go to one place—the higher education institution—and are supported through the application process. They do not have to fill in endless forms. Supporting what is, from the student's point of view, far simpler and clearer access, would be expensive for the HEI. So, that was where the part-time premium came from in the report.

[170] **Peter Black:** Do you envisage that the monitoring of the funding stream will be

down to HEFCW?

[171] **Dr Graham:** In the reporting back, yes.

[172] **Professor Pearce:** Two forms of monitoring were recommended. One recommendation is that a review is undertaken periodically of average fee levels for part-time students, which would determine whether there has been an upward drift in fee levels. The other recommendation is that we believe that it is essential that some of the money is used to support widening access activities and, therefore, we would expect institutions, in their reporting to HEFCW, to indicate how the funding stream was used to support that activity.

[173] **Peter Black:** That is very helpful, thank you.

[174] **Jane Davidson:** I thank Heather, Robert, and other members of their group for an extremely sensible and useful report. There are some clear recommendations for us that we will obviously take very seriously. However, we will want to hear what is said not only by you, but by other interested parties today. I would like to ask three questions. The first relates to that last point, because I want to understand clearly what you mean by the part-time premium in relation to the widening access premium that we already have in the system. My second question relates to the Higher Education Statistics Agency chart on page 33, figure 3.5—the home and EU domiciled part-time undergraduate student enrolments by full-time equivalents. I found this chart very interesting, because we have a situation at the moment where, as you know. Students who study a course of at least 30 credits are able to apply for an Assembly learning grant. However, on the growth in numbers between 2004-05, which is, obviously, the last year for which we have full statistics, the growth in numbers is on the courses without the additional grants, so it is those courses under 30 credits that are seeing a growth in numbers. There is a fall-off in courses above 50 per cent, and a small but significant increase in those over 30 to 50 per cent, on a pretty straight line. Can you interpret the graph for me, because I would be interested to know whether that red line is increasing as a result of a contribution under the Assembly learning grant; are we making a difference in an area where we have put a grant mechanism in the system?

10.40 a.m.

[175] I would make an anecdotal assumption, but I would be grateful for your interpretation, that the over 50 per cent line is coming down, on the grounds that, once you are over 50 per cent, you are probably better to be full-time in the context. That line has been coming down steadily over the years. However, this quite dramatic growth over four years in the less than 30 credits courses, without additional intervention, is extremely interesting. Could you interpret that for me as well?

[176] Finally—and this is particularly for you, Heather, because we have discussed it before—there is this issue around the slippage between inquiries and registrations. We have not mentioned that today, but it is important for us to know what stops people going on to that first step of study, as it were, if they have girded up their loins sufficiently to make inquiries about courses. What turns them off at that point? Is there any evidence outside Wales that would give us some indication there? Are there any time factors that might encourage people to make those sorts of decisions?

[177] **Dr Graham:** On the chart, and the credit volume that is being studied, there was much positive response to the Assembly learning grant. There was also much comment that it was often not taken up when people could have had entitlement to it, and the same was true of the fee waiver. There was a lot of feeling that support was not always taken up. It may well be—and I have no direct evidence for this, but anecdotal evidence would suggest it—that many of the projects that have come out of European funding may well have had an influence

on the low credit volumes, because those are the ones that tend to be focused on with that sort of funding.

[178] Also, to be fair to the HEIs, indications would suggest that, over the last few years, there has been a real drive towards widening access, which tends to draw in people at that credit volume. Therefore, all those factors are interesting. Particularly in Wales, there is indication that that is working. You are probably right that, once you get to 50 per cent, life is so difficult that you may as well do it full-time.

[179] Robert, do you recall any other evidence on this?

[180] **Professor Pearce:** The evidence suggested that the most critical factor is the affordability of fees. When you are dealing with part-time students, many of whom are in employment—or, if they are not in employment, are already meeting their living costs—the principal question for them is, ‘How much more will it cost me to study than it already costs me to live?’. Therefore, the availability of maintenance support is less important than not having to pay too much in fees. That explains the big difference between the low-credit volumes and the high-credit volumes. When students are studying 50 per cent or more, it inhibits their ability to earn their living at the same time, whereas, at the low-credit values, that is not an issue. The big issue at the low-credit values is not whether someone gets support to meet their household bills; it is whether they can afford the fees.

[181] **Dr Graham:** On trying to assess why students do not register, the students who were interviewed, and who were sent questionnaires and so on—I will mention a slight side issue, which is interesting.

[182] We did two forms of questionnaires. One of those was an e-questionnaire, which was sent to all part-time students in Wales, and which had an appallingly low response rate. Every indication is that, in socioeconomic terms, e-questionnaires skew the picture—it tends to be the higher socioeconomic levels who respond. Therefore, we were worried about that, so we got National Opinion Poll to do us a hard-copy survey, on which we got a 98 per cent response. That was interesting in terms of getting information in. However, all those are people who have overcome the initial barrier to study, because they are studying.

[183] On the business about someone having got up the courage to phone, or to ask for a brochure, or to pop into their local HEI, and why then do they not register, a Wales-wide survey of that would be hugely expensive. However, one proposal was that we perhaps do a pilot survey, with one or two institutions, to really get to grips with what happens to these people. Are they really serious when they inquire? If they are, what are the genuine barriers? That is a survey that usefully could be done, because it would really get to the roots of the barriers to higher education.

[184] **Professor Pearce:** We do not know the answer, and that is why we recommended that research should be done into it.

[185] **Jane Davidson:** Also, there was the question on the link between the proposed part-time premium and the existing widening access premium.

[186] **Dr Graham:** The part-time premium does not only apply to widening access groups. The major impact on HE institutions would be from the widening access groups, because they would need the support. However, it is for a slightly different purpose in the sense that it is to do with clarity of eligibility and what is available from the student’s point of view. We felt that that would have a cost implication for the HEIs, because one of the pieces of evidence that we received, albeit anecdotal, was that students quite frequently will apply for the fee waiver scheme because it is simple and straightforward. Having done that, they are reluctant

to complete other forms for other support for which they may well be eligible. Our aspiration was to create a system whereby the student had one form to fill in, and that they were guided through the system in a hands-on way at the moment at which they inquired and applied for a course. It would probably not require massive resources, but it would require the input of staff time to be there to see the student through the first stage, which can often be the barrier at which they fall. So, it was that type of difference from the widening access regime premium.

[187] **Peter Black:** Thank you for coming to the committee to present the report. On behalf of the committee I thank you and your commission for all the hard work that you put into producing the report, which has been a tremendous help to us as a committee and to the Assembly as a whole.

[188] **Dr Graham:** We have enjoyed it.

[189] **Professor Pearce:** It is gratifying that your questions are so well-informed—it is clear that you have read the report very carefully.

[190] **Dr Graham:** Yes, it is very gratifying.

[191] **Peter Black:** Thank you. We will break now.

*Gohiriwyd y cyfarfod rhwng 10.47 a.m. a 11.06 a.m.
The meeting adjourned between 10.47 a.m. and 11.06 a.m.*

**Adolygiad Graham—Tystiolaeth gan y Sefydliad Cenedlaethol dros Addysg
Barhaus Oedolion Dysgu Cymru ac Undeb Cenedlaethol Myfyrwyr Cymru
Graham Review—Evidence from the National Institute of Adult Continuing
Education Dysgu Cymru and the National Union of Students Wales**

[192] **Peter Black:** Welcome back to the Education, Lifelong Learning and Skills Committee. We now have a cast of thousands, as we carry on taking evidence on this. We have presentations from NIACE Dysgu Cymru and NUS Wales. I will briefly introduce the representatives from both organisations. We have Rob Humphreys, who is the director of NIACE Dysgu Cymru, Cerys Butcher, who is the policy officer for that organisation and Viv Davies, who is also representing NIACE Dysgu Cymru. From NUS Wales, we have the president, Dylan Williams, Tim Palmer, the publicity officer and Siân Taylor, who is the manager. Welcome to the committee. Dr Heather Graham and Professor Pearce are still here and may chip in as we go through the questions and so on in the next two sessions.

[193] I remind you again that there will be a verbatim record of the meeting, so, everything that you say will be taken down—you will be able to have a look at it afterwards. I also remind you about the simultaneous translation equipment; channel 1 is the translation from Welsh to English, and channel 0 is for hearing what is being said on the floor.

[194] I start off by asking Rob Humphreys of NIACE Dysgu Cymru to make a short presentation, then we will have a presentation from NUS Wales and then we will go into questions.

[195] **Mr Humphreys:** Diolch yn fawr, **Mr Humphreys:** Thank you very much, Gadeirydd, a diolch am y cyfle i siarad â chi. Chairman, and thank you for the opportunity to speak to you.

[196] I will make a few remarks about part-time higher education generally, and then pick up some issues from the review. Hopefully, I will avoid repeating the points that Dr Graham

and Professor Pearce made earlier. It is useful to start by considering what kind of higher education we want in Wales in the future. We think that we want an open, accessible, flexible higher education, that promotes accessibility and participation. In time, that will become something that citizens experience across their lives, rather than an institution or a set of institutions. It is useful to remind ourselves that this debate is about the future of HE and must be coupled with the same debates that took place over the Rees review and the full-time settlement and so on. We always need to remind ourselves of that.

[197] It is also useful to frame these discussions in terms of equality of opportunity. We need to remember that this is about equality of opportunity in two senses. The first is equality of opportunity in terms of the citizens of Wales having access to higher education, particularly the most disadvantaged individuals in communities. It is also a specific issue about equal opportunities, in terms of support for part timers, set against support for full timers. NIACE Dysgu Cymru believes strongly that we would be selling ourselves short as a nation if we said, 'The public is prepared to make an investment in full timers, but when it comes to part timers, they are not prepared to make the same kind of investment'. That seems to me to run counter to the theme of equality of opportunity that runs right through the business of this institution. The way in which we treat part timers is critical and is usefully framed in the equal opportunities discourse.

11.10 a.m.

[198] On the review, specifically, we very much welcome the findings and the recommendations of the Graham review. We recognise that there was a very difficult balance to be struck between principles, equity, and practicability in terms of implementation, and difficult choices to be made because the part-time student market is more differentiated than the full-time one. The key point is that the status quo is no longer an option given the settlement for full-time students. As Professor Pearce said earlier, we do not now have a level playing field and there will certainly be a disincentive for HEIs to continue to provide part-time HE opportunities or a risk of lower quality part-time provision. That is where we start from: the status quo is simply not an option.

[199] Let me pick up on some key themes that were not raised much in the discussion this morning. We think that the recommendations on transparency, in terms of application procedures, means tests and so on, are important and will assist with the objective of widening participation in the part-time arena. The Graham review met many stakeholders who raised the issue of the complexity of form filling and the different thresholds in terms of credit volume for accessing support for fees or maintenance. We welcome the system proposed in the Graham review, in which support would go to those studying small chunks of learning, right down to 10 credits in terms of credit volume.

[200] We think that it is rather unfortunate that, in England, support for part timers has mainly been directed post hoc after the full-time settlement, and it is for those studying the equivalent of 50 per cent or more of a full-time degree. There is now a real threat to a lot of part-time provision below 50 per cent in England. I would like to think that, in Wales, we could see off that threat and have a more equitable system that supports small chunks of credit. As Professor Pearce said this morning, the small chunk is often where people first start. If they start for one reason, such as interest in the subject or apprehension about studying at HE, that does not mean that they will stay in that segment; they may go on to others and, for example, study a more vocational course later in life.

[201] There are also recommendations on specific issues such as childcare and disability support, which we strongly endorse and support. The support in the report for the fee-waiver scheme is important. We endorse that and we would urge the committee and the Minister to consider the recommendations in the report in terms of funding, the means test and so on,

which seek to address the difficulties of those who are on very low incomes, but who are not disadvantaged enough to qualify for the fee-waiver scheme. It is important that that group of students does not lose out. The report's means-test models effectively seek to meet that problem through more sensitive means testing.

[202] We also support the employers' bursary scheme. I noted Mr Cuthbert's questions on that this morning. A couple of points were not brought up then, the first being that we see the sector skills councils as being important in assisting the Government in developing such a scheme. It is worth noting the point that Dr Graham made that perhaps there was some difficulty in engaging employers. However, Michelle Sayers of the Skills for Business Network did make a presentation and was happy to do so and it is worth making that point here for the record. The sector skills councils could be important partners in developing such a scheme.

[203] The other point that did not come up in the earlier discussion about this was that the Graham review points to the individual learning account scheme, which could be the initial model from which something is built out in terms of entitlement. So, it is worth pointing out that something already exists in that area and ILAs might be the initial model from which something more finely tuned and sophisticated is developed.

[204] NIACE Dysgu Cymru notes the points made in the report and, again, would seek to back this up, about the potential adverse effects of the ending of European funding for some of the most innovative schemes in terms of widening participation. We are glad to see it referred to in the report and we would urge the committee, the Minister, the funding council and individual HEIs to seek to make those schemes more sustainable in the longer term.

[205] I will raise another two points that we have a few concerns about. The difficult choice made in the report to direct financial support towards institutions rather than its following the student—and I think that you raised a question about this earlier—carries a risk or two, although I think that, on balance, it is the right choice. That risk is around ensuring that that investment from the taxpayer does go to part-time learners and to opening up student support facilities—which was an issue raised time and again during the proceedings of the review—and that part-time teaching, if it takes place in the evening, outside the classic full-time, 9 a.m. to 5 p.m. regime, involves not just a lecturer or a tutor turning up but also the institution changing its modus operandi in terms of support, library provision, catering provision, the availability of counsellors, careers advisers, guidance workers and so on. So, if additional investment from the taxpayer—precious resources—are directed to HEIs, tracking and monitoring mechanisms need to be built in to ensure that that money really is directed specifically towards quality teaching in part time and supporting part-time provision in the wider sense.

[206] Secondly, it is very interesting to look at what the report has to say about the subjects studied through part-time mode in higher education in Wales. They are mainly in the fields of modern languages, education, combined studies and social studies. At NIACE Dysgu Cymru, we would, in a constructive sense, ask some questions about why that should be so, whether it has to be like that and whether it is a response to demand or whether it is a response to what institutions are able to offer in a cost-effective way.

[207] We have heard a lot in recent years about the notion of gradueness and the graduate premium. We would ask why we in Wales should not have a HE system that offers those subjects that might give a high graduate return in terms of income on a part-time basis. It is a question worth asking of the sector as a whole. Are there other subjects, which, historically and currently, give a high graduate premium and almost a guarantee? Of course, there would never be an ultimate guarantee. Why are they not available on a part-time basis, which would increase opportunity, particularly for disadvantaged students?

[208] To conclude, I remind the committee of my opening remarks. This is about HE as a whole as much as it is about part-time HE and it is about what HE offers Wales—all of us, not just learners and students in the system. We know that HE is crucial for our future prosperity, as individuals, communities and as a nation. It is crucial for our health as a nation and it is crucial culturally, to develop a tolerant and diverse society and as a democracy. Why would we want to restrict that offering to those who are able or who want to study full time for three or four years, mainly between the ages of 18 and 21 or 22. Doing that is tantamount to restricting opportunity, it runs counter to the notion of equality of opportunity, and, in the long term, we would be selling ourselves very short indeed.

11.20 a.m.

[209] **Peter Black:** Thank you, Rob.

[210] **Mr Williams:** Bore da—thank you for the opportunity to speak today. As you know, my name is Dylan Williams, and I am the president of NUS Wales. Before I start, I place on record the fact that we commend and praise the review. It has been a hard task, but it has come through; it is written in plain English and is simple to read, which is a good thing.

[211] As background information on who we are, NUS Wales represents over 250,000 students in higher and further education, many of whom are part-time students. The policy that NUS Wales works to is made through our annual conference, at which delegates from unions across Wales discuss the issues that matter to them and vote on where they want the NUS to go in the following year. We have not yet had a full opportunity to talk to members about the review, and, therefore, today's evidence will represent a first-glance look, working from NUS Wales's policy.

[212] Looking at the models that you have put forward in the review, one by one, if we can, the first one is to keep the status quo. To NUS Wales, maintaining the status quo is simply not an option. As the report points out, the differing levels of support penalise those who choose the less intensive model of study. Evidence received by us in NUS Wales also indicates that, due to the complexity of the system, there is a great deal of uncertainty among those applying to study part time under the current system.

[213] Model 2 is the no-fees model. NUS Wales holds the fundamental belief that education should be free for all, and, as such, would support this option and would call on the Assembly to adopt this. As the report points out, if this model were implemented, it would receive widespread public support. I repeat the belief that society as a whole would benefit from a well-educated workforce. We believe that education is a right, and not a privilege, and that education should be paid for through the system of taxation. We disagree very strongly with the opinion that not charging fees would diminish the perceived value of higher education and result in lower commitments by students to pursue courses. Let us put that in context: tuition fees for full-time students came in almost 10 years ago—does that mean that the people in this room who hold a degree and who did not pay for that education have a lesser degree than mine, as a student who paid?

[214] No. 3 is mirroring the new arrangements for full-time students. This option would go some way towards creating parity between full-time and part-time study, and it contains some very good points—for example, on a loan pro-rata and the Assembly learning grant. We feel that the additional support provided would be offset by the additional hike in fees. This is probably the least attractive option from NUS Wales's view. It places a large amount of debt on part-time students and would discourage those who feel that part-time study is a better option than full-time study because of expenses. More interest would be accrued by those part-time students, and they would have the debt for longer before they could start to work to

pay it off.

[215] No. 4 is learner-centred support. We feel that this model is very similar to the current system, and the same pros and cons apply. We ask: if there were one single means-tested grant, what would happen if a student's circumstances changed? Would there be a way of changing the provision? This option would be driven by market forces, and, as such, it goes against one of our fundamental beliefs. We agree with the report's opinion that a cap on student numbers would lead to restrictions and would further narrow provision, and we are totally against this. The option for Welsh students to study in English institutions for lower fees would, we believe, create confusion and an imbalance in the Welsh system.

[216] No. 5 is the extended fee remission grant. In this option, we like the fact that the additional funds proposed for higher education institutions would mean that there would be no immediate effect on students. However, once again, this option is driven by market forces, and, in our opinion, it is not the best system for students. As we outlined in evidence to the review, we would not want to see fees being set at a pro-rata level as we believe that it would deter students and act against widening participation. We believe that this model would attract students from lower-income backgrounds in the short term. However, this system would increase the fees that students would pay, and it is likely that the fees would increase to the equivalent of those for full-time students.

[217] NUS Wales firmly believes that targeted support is important in encouraging those from less well-off backgrounds to enter higher education. The options given for public funding are favourable, as they would provide more opportunity to students from low-income backgrounds to study. However, we believe that this system would put a strain on higher education institutions and lead to a narrowing of the range of provision and a cap on numbers.

[218] Finally is No. 6; the combined support model. We understand that this model is favoured by the review group, and can see positive and negative aspects to it. One of the positive points of this model, from our point of view, is that fees would not rise significantly. Additionally, we are encouraged that an enhanced fee-waiver scheme and additional support mechanisms have been proposed. However, we would want to see parity between fee support and individual needs support. We would therefore recommend that all additional support be given 10 credits and above to improve access and to allow for ease of understanding. This option, unlike others, would not be driven by market forces, and this, alongside the recommendation that fee increases would be mitigated by direct grants to institutions, is favoured by NHS Wales. We would like to see strict guidelines in place to keep the cost at a lower level.

[219] On a negative aspect, the recommendation to have fees payable up front is not the right option, in our opinion. Even though the report mentions the fact that the group did not feel that there was support for a similar loan to that in full-time education, we believe that there is; it would significantly offer more options to students and, therefore, increase participation. I am sure that I have made it clear that the option favoured by NUS Wales, in line with our free education policy, would be option no. 2—that of having no fees.

[220] As the report highlights, there would be widespread public support for the option and additional effects that we feel would increase participation. We believe that this would strongly work against deterring any students from studying in Wales.

[221] I will move on to comment on some of the further recommendations given in the review. As we have time constraints today, I will be brief. First, a simplified additional support system will be welcomed highly by NUS Wales in terms of the implementation of a fee waiver, fee support, course grants, and individual needs support. We welcome the option, but with a simplified application process and the reform of the current means-testing

system—the sensitive sliding scale. A different level for both would confuse and not widen access. Tied in with support, we welcome the review recommendation to improve the information available, as that can only help.

[222] NUS Wales would strongly support the setting up of a working group to monitor part-time provision. However, we would ask for a student representative to be on this group. The review of the financial contingency fund would also be welcomed by us.

[223] We would like to praise the group on its recommendations for the disabled students' allowance. As an organisation, we have campaigned for many years for this and would strongly call on the Assembly to take on this recommendation. We believe that the intensity of study forced by current eligibility forces many disabled students out of study and does not allow for flexible learning. The option that the level be reduced to 25 per cent, or 30 credits, would be fantastic.

[224] In terms of means testing, NUS Wales believes that there needs to be reform within the current system, and it supports the review in its statement that, as the Assembly now has total ownership of its support system, a full review should and can be carried out. We understand that any review will be a long-term project, and we would support any decision to improve current eligibility levels. As I mentioned earlier, a more sensitive sliding scale would help.

[225] Finally, in respect of Welsh-language provision, we have given evidence to both the reports commissioned by HEFCW and we are eagerly awaiting the findings. We will support the review, but we are awaiting the final report to get a clear picture of current provision in Wales. We would strongly commend the group for recommending that any new strategy must be cohesive and must facilitate the development of Welsh-medium provision within the sector.

[226] We thank you for involving us in the process and for your time today.

[227] **Peter Black:** Thank you very much. Are there any questions? Jeff?

[228] **Jeff Cuthbert:** I have a few points. It is very good to see the NUS here. I remember my days as a full-time student—it was around 10 years ago, I think. *[Laughter.]*

[229] I accept the notion that education should be free as a matter of principle, but we tend to look at this through rose-tinted glasses. When I was in Cardiff as a student back in the 1970s, there were fees to be paid. In my case, they were paid by my employer—the National Coal Board. If that would not have been the case, they would have been paid by the local education authority. Therefore, there were fees. We should not forget that part-time students have always paid fees. I suppose that the most significant thing is that, when I was an undergraduate, there was only around one-third of the number of students that there is now. So, there are important cost issues that we have to bear in mind. It is purely my view, but if education were free, the effects that that would have on other parts of the budget would be significant. I think that that is the reality that we face.

11.30 a.m.

[230] One issue on up-front fees in model 6, which is the preferred model—and I would value the opinions of everyone on the panel on this—is that it says that the fees are payable at the time of study by the student or the sponsor. I want to concentrate my main question on the sponsor element of that, and this follows from the discussion that we had with Professor Pearce and Dr Graham earlier about the role of employers. You may have heard the point mentioned that, so far, the engagement with employers and industrialists has been poor—that

is through no fault of the Graham review. That is a matter of worry, because there has to be considerable scope for part-time students benefiting the economy and, therefore, benefiting the employers' work. I want to see that improved, so I would welcome the notion of fees being paid by sponsors, in the main, where students are employed people. I welcome ideas and thoughts on how that can be encouraged. There could possibly be an agreement that if the fees are paid by the employer, then that person would agree, perhaps, to work for that employer for three or four years as pay back—that is similar to the notion of graduate apprenticeships for full-time students.

[231] On the role of the sector skills councils, we did not refer to them this morning, but a lot of time and money has gone into setting up these bodies, whose job it is, among others, to look at the training and development needs of members of staff in those particular occupational areas. How well are sector skills councils engaged with this process, particularly given the number of small and medium-sized enterprises in the Welsh economy? I would welcome your comments, and, if there is time, I would like to come back on European funding, but, I will leave that as a separate matter.

[232] **Peter Black:** I will ask the principal speakers to respond, and if anyone else wants to come in, then put your hand up, and I will bring you in. Rob, will you start?

[233] **Mr Humphreys:** You have raised a number of points there; I will try to deal with them all in order. First, it is helpful for you to remind the committee that part-time HE students have always paid fees. One interesting feature of the series of debates and the year's work on the Graham review is how little public press and media interest there has been in this issue. It is quite a challenge for the NUS to engage in this. Students are out on the street protesting about full-time fees, but protests are rather less visible in terms of part-timers, who have always paid fees. It is cogently put in the review as to why the no-fees option for part-timers is unrealistic: first, there would be a drain on public resources, and, secondly, given the full-time settlement, there could well be a haemorrhaging of notional full-time students going on to free part-time study. So, it really is a non-starter. We have to start from the base of deciding which settlement best aids participation, particularly for disadvantaged groups, and how we find an affordable and implementable settlement in that context, which will involve some measure of fees.

[234] Secondly, on deferment, I would be interested to hear what evidence the NUS has—and I am not saying that it does not have any—that there is support for deferment. The Graham review found hardly any support for the deferment of fees for part-time students. There is an argument, which is rehearsed in the review documentation, that, perhaps, when people study, effectively, half a full-time degree, there might be an argument for deferment, and it might be practicable. However, when you go down to people studying 10 credits, then the administrative costs alone, in terms of handling the deferment then recovering it through the tax system, outweigh greatly any benefits to the learner. We have to be mindful of the best use of public investment here, and I do not think that this is the best use of that.

[235] Moving on to sponsorship, employers and so on, I certainly agree that the sector skills councils should be, and I am sure are willing to be, partners in enhancing opportunities in terms of work-based learning at higher education level. What is interesting, and potentially productive, about the recommendation for this employer bursary is that NIACE Dysgu Cymru's research tends to show that those in Wales who most need high-quality workplace learning provision are least likely to get it because of the sectors in which they work. For example, very small employers cannot provide their own training or cannot release their employees and so on. Large automotive or aviation companies in Wales have high quality or bespoke training of their own, or they buy it in from higher education institutions. The problem is in smaller sectors—or even a large sector that has great numbers of small or even microbusinesses. That is where the Assembly, working with employers through sector skills

councils, could develop something quite innovative such as a bespoke scholarship, bursary or support for employees in workplace learning at a higher skills level—and it is affordable; it does not require a huge investment.

[236] **Mr Williams:** If we are discussing public investment, in our opinion, there can be no better investment than education for everyone, which is free. Obviously, everyone will benefit from people who are well educated and it is our opinion that more would enter higher education if it were free. It is that simple.

[237] On fees being deferred, I would personally rather pay my fees after graduating, in the form of repaying a loan. I would go to university if I could pay afterwards, rather than having to get the money upfront or having to pay as I went through. It seems easier to me to be able to pay at the end. At the end, once you have qualified and graduated, there is a very good chance that you would be in a better job than the one you were in before, because of your degree and qualification, and you would be on more money, so it would be easier to pay those fees back. That is my rationale for saying that the fees should be paid at the end of the course.

[238] We have called for public investment for a long time in education, and it has reached the point where we are sick and tired of doing it. That is fine, but the fact is that we believe that education is a right and not a privilege and, given the market forces that are coming into education, it worries us that students will be used almost as pawns; they will be bought into universities for what they are. That is a big worry for us as a national union.

[239] **Peter Black:** Jeff, you wanted to come back on European funding.

[240] **Jeff Cuthbert:** With my Objective 1 hat on, I am very keen to ensure that full use is made of European funds and that we plan strategically, particularly for convergence funding. I would be grateful for any comments that you may have on the future use of European funding.

[241] I am intrigued by your concern, and I understand where it is coming from, because the funding is coming to an end and, therefore, people are worried. However, an exit strategy was always part of Objective 1 funding in that it was never guaranteed to be permanent. We are fortunate to get another round, but that was never known at the time. So is it, in effect, saying that that planning was not put in place early on, in terms of how various training courses, part-timers or whatever, become sustainable in the long term, or was it because of a lack of guidance? What is the issue behind that?

[242] **Mr Humphreys:** My colleague may also have something to say about this. I would say that it is not due to either of the points that you made at the end, in terms of a lack of guidance or insufficient planning; it is due to the very deep-rooted nature of some of the problems—I know that you are familiar with these—in some of our most deprived communities. I am sorry to rehearse arguments that people here are very familiar with, but when a community has been in relative social and economic decline, perhaps since the early 1920s in the case of the former coalfields, to assume or think that things could be turned around with a five or seven-year funding stream is somewhat optimistic, is it not? So, our point is that where there is very good practice, which can be at high cost, in HEIs—whether in Newport, the North East Wales Institute of Higher Education, Glamorgan or wherever—and where good work is undertaken, perhaps it is a job for the sector to develop ways of sustaining that, because it contributes to skilling up individuals.

11.40 a.m.

[243] However, lifelong learning has many wider benefits in terms of cultural development, such as better health—and evidence shows that people are healthier if they are studying—

community development, and so on. So, across that agenda, which cuts through the various Government departments, many of these schemes make significant contributions and aid widening participation in higher education. It would be a short-sighted approach that saw them simply end. You are quite right about convergence funding, but whether I would say that we were fortunate to get it, I am not sure, although I take your point. Perhaps there are still issues around areas outside Objective 1, where there are still pockets of poverty and so on and where some of this good work takes place, such as inner-city Newport.

[244] **Mr Davies:** I agree with everything that Rob has said. I was taken with the debate this morning in relation to the Minister's point about the demographic changes and the growth of what appear to be small—we use the term 'bite-sized'—chunks of learning increasing the number of learners in part-time mode. My view on that is that a substantial number of those learners come from the community education sector, which is generally and reasonably loosely used as a definition. As you know, much of that is underpinned by European funding. The problem with the notion of exit strategies has clearly been that most of those funds have been in two-year, or possibly three-year, tranches. As Rob said, in order to do that work properly, it is long term and resource intensive, and requires, in effect, the matching of the resource by a higher education institution along with the European money. Without that European money, it would be a major problem for the institution to fill the gap in funding.

[245] I take the point that, with the new European funding, it may be possible in the future to lock into that for some of these projects. However, the recommendation from the Graham review suggests that, in giving relative autonomy to institutions, one of the key drivers should be for those institutions that are engaged with community-based learning, underpinned by European and other external sources of funding, to look at any new increase through the new streams that would come through if the report's recommendations were accepted, and at how they could be built in to help to do what we would all argue is essential, namely to sustain that which is already happening. One of the major problems is that the folk whom we are talking about, in the communities that we seek through such projects, including those that have been mentioned—the Community University of the Valleys and so on—are, unfortunately, victims of a series of other projects where the parachute-in-and-parachute-out mentality has captured people. One of the questions raised this morning about resistance may well be found in that notion that projects of this kind are there only for the short term. People are led to the top of the hill, and are then bounced back down again. So, I agree that that question of sustainability is vital. It seems that the review, though not on its own, provides an opportunity for that kind of investigation and exploration, to see how sustainability and mainstreaming can be achieved. We know that the Higher Education Funding Council for Wales has made more money available in recent months. Those are areas that can complement any settlement that comes from the acceptance or otherwise of the Graham review.

[246] **Peter Black:** Dr Graham, you wanted to come back on an earlier point. I am sorry that I overlooked you.

[247] **Dr Graham:** I would like to take a step back to the loans. Two clear points emerge from the evidence. The first is that part-time students tend to be older, so the time that they have to pay back their loan is a concern. The second is the issue of the heavy administration required even for loans for small volumes of credit. I just wanted to mention those two factors.

[248] **Janet Ryder:** To pick up on that issue, there is sometimes an assumption that people take a higher education course for economic gain, to increase their qualifications, but that is definitely not the case for many part-time students. For many of them, it is a life-enhancing thing. The Open University is a good example. You get a predominantly high number of what might be classed as older people, who take degree courses for enjoyment. That is one of the problems with this kind of review, which considers the mass of part-time students. I am

concerned that, if we come to see an emphasis being put on any kind of higher education as leading to further employment, would you foresee a danger that the course fee levels might increase for courses that may be more life-enhancing and are taken for more social reasons? Are you satisfied that we can monitor that, and keep all those fee levels at a level to encourage and sustain access to education, whether it is for employment, to improve job chances, or purely for personal engagement?

[249] Similarly, could you expand on the support costs for part-time students—the childcare, the transport, the books, and so on—which show that those costs are higher for part-time students? You have both made the point that the support kicks in at 30 credits. Do you believe that that will allow flexibility and more support to be given to those who are taking, say, a 10-credit course? How can we put in the mechanisms to ensure that that support is there? Everyone has made the point that it may be those students who go on to take further courses.

[250] **Mr Williams:** We have what we call ‘taster’ courses into education. These are important, as they form the building blocks into education for us. So, while we have said in our response that we would like to see support beginning at 10 credits—with childcare grants, and so on—to ensure that no-one is left out, and so if you have a single parent who wants to do a 10-credit course in the Welsh language, he or she will have support for childcare and so on, and will not be left out in the cold, so to speak, we would want to see a system where there is parity at all levels, so that everyone has the exact same chance, no matter where they are from, what they do, or even why they come to education. We believe that education is for everyone. It can be life-affirming, it can be for development onto a degree course or A-levels, or, as you said, it could be just a hobby or a change of life. Education benefits the whole of society, and should be open to all. Access should not be restricted to anyone, no matter where they are from. Whether they have children, are a carer, or are dependent on someone should not matter—it should be open to all. It is that simple.

[251] **Mr Humphreys:** That is a helpful point about forms of higher education that are not necessarily directly related to employment or enhancing skills levels. However, the historic distinction between—and I do not like the term ‘leisure’, but I will use it as shorthand now—leisure-orientated courses and employment-orientated courses is not terribly helpful. As I said earlier, the evidence shows that many people who start off in one way end up changing direction within the system, and using the skills and knowledge that they have acquired to help them in employment terms. However, you are right to say that—and I agree with the NUS on this—we, as a nation, should value and protect access to new developments in knowledge for its own sake. For example, we have to make difficult choices as a civic culture on areas such as multiculturalism, genetic engineering, on all sorts of new developments, and rapid social change. What do we do with new technologies, and so on, if we want an informed citizenry and democracy? Access to higher education, which is, after all, where new knowledge is produced, needs to be enhanced and protected. So, we would encourage an approach that allows our citizens to access that knowledge, regardless of the end purpose for which they want it.

11.50 a.m.

[252] On the question on 30 credits, it is a sharp point again. It is worth bearing in mind that the Graham review recommends, in terms of fees, that means testing for fees should come down to the 10-credit level. That is one barrier out of the way and there is also the fee waiver scheme, of course.

[253] On the recommendation around support and whether it should go below 30 credits, the Graham review recommends that the administrative costs outweigh the benefits, which is quite a powerful case, and that an enhanced single credit framework could then pick up

serious issues for those studying for less than 10 credits. If an affordable and administratively simple way could be found in which that type of support could retain less than 10 credits, we would support that, but we are not persuaded. You have to consider the time it takes you to fill in all the forms and all the rest of it just to do a 10-credit course, then, perhaps, you must do it again when you want to do another 10-credit course—there are real issues there about whether the money that the HEI and the taxpayer spends on that is usefully spent on processing the forms, or whether it is better finding its way directly to the student in another way.

[254] **Mr Palmer:** To pick up briefly on a point that you made, Rob, as we mentioned earlier, we have to bear in mind the administrative effects of this. As we mentioned regarding the take-up of the Assembly learning grant, it is very low among those studying the low-credit modules. However, if we can guarantee that that support is there for those studying just 10 or 20 credits, it will ensure that, if a student needs the support, it is there for them when they need it. They do not have to take it up. On the smaller module level, the Assembly learning grant does not necessarily get taken up, but it can be used if it is there. We would like to get that point across.

[255] **Peter Black:** I will bring in Christine for the last question, and then we will have to wrap up this particular aspect fairly quickly.

[256] **Christine Chapman:** On the widening access issue, do you have any comment on whether this model would support the idea that we need to widen access for people working part time? We tend to think of full-time workers doing part-time courses with the support of employers, but maybe you could talk about part-time employees within bigger organisations. You have touched on the difficulties with SMEs, but are you picking up that there are difficulties even in larger organisations because part-time workers are not always as encouraged as full-time workers? Would the model support that, because we want to increase that?

[257] **Mr Humphreys:** Yes, I think that it could. It is worth saying in passing—I will be the NUS representative for a moment—that many full-time students are working part-time, and there is a blurring of the boundaries there as well. In terms of the agility of the proposed model that Dr Graham talked about this morning, the model would enable HEIs to be agile on the ground, and they could therefore construct bespoke schemes in terms of fee structures, and so on, to suit their local labour markets, the pattern of their local employment and the kinds of employers that they have. That is a real advantage within this model as opposed to the money-following-the-student model, which also has great merit. There is potential, in addition to the proposed specific bursary scheme, for HEIs locally to plug into employers to get part-time and full-time employees engaged in higher learning, because they have a measure of freedom to use that money in ways that they see fit.

[258] **Mr Palmer:** An educated workforce benefits the employer, so as far as we can see, it can only help the employers for them to help their employees to get a better education.

[259] **Peter Black:** Okay, thank you. I am afraid that we have run out of time for this particular item. I thank all the presenters for coming—it was very valuable. We will put together a factual report on the meeting, which we can table and refer back to. While we are changing over presenters, I draw your attention to the papers to note. They are the procedural minutes of the previous meeting and the Social Justice and Regeneration Committee's strategic forward work programme. There is also the second legislation forward look, which is there to be noted. However, I draw your attention to the fact that a new item has been added to that today, namely the teacher training incentive scheme, item ELL-15-06. It is on the penultimate page of the schedule.

[260] I understand that the Government hopes to start this new scheme by 21 September, and the timetable means that the only realistic opportunity for us to scrutinise that would be 5 July, if you wanted to bring that in. Unfortunately, we are already very fully committed on 5 July. The scheme was included in the Minister's report on 13 October last year, when she reported back to the committee on it, but if any Member were to ask to scrutinise that, we would have to try to accommodate it in some way. I do not know whether there is any scope for slippage by a couple of weeks in terms of bringing it into force in the autumn term. I just bring that to your attention.

[261] **Janet Ryder:** Would you want to be notified out of committee for that, Chair?

[262] **Peter Black:** Yes, if you want to bring it in, tell the clerk and we will have to discuss with the Minister's officials how best to raise it. It is there for the first time now, so I thought it best to bring your attention to it.

11.56 a.m.

**Adolygiad Graham—Tystiolaeth gan Addysg Uwch Cymru a Chyngor Cyllido
Addysg Uwch Cymru
Graham Review—Evidence from Higher Education Wales and the Higher
Education Funding Council for Wales**

[263] **Peter Black:** I welcome Higher Education Wales and the Higher Education Funding Council for Wales. We have Professor Gummatt and David Blaney from HEFCW, and David Halton from Higher Education Wales; I welcome you all to the committee. I will remind you quickly of the procedure: we have a verbatim record, so anything that is said will be taken down and you will be able to have a look at that before we publish it. In terms of simultaneous translation, if you need to use the equipment, there is an 'on' switch and you need to turn it to channel 1 to hear the English translation. I will start by asking Professor Gummatt of HEFCW to make a short presentation, then we will open it up for questions.

[264] **Professor Gummatt:** Thank you for the opportunity to come to speak to you this morning on what is an important report for higher education in Wales. The complexity of the issue was apparent to us all before the report was written, and it is even more apparent now that we have all this detail before us. I apologise that we have not been able to follow our usual custom of giving you a short paper, but you will appreciate that, with the timing of the publication and the deadline for committee papers, it was not possible. Timing also means that what I am saying today are the initial views of HEFCW officers—we have not had any opportunity to consult our council, so I ask you to take that into account. Neither have we had much chance to study the background studies in great depth, and we want to study them in greater depth than we have done, because there is a lot of important material in there. Some of what I want to say in a moment, which might sound a little negative, may turn upon a deeper understanding of what is in those background papers.

[265] In the few minutes that we have, I would like to speak about a few things. One is whether we are clear enough about the picture that we have of what the problem is in relation to supporting part-time students appropriately, both now and for the future, when it is clearly going to be at least as important in the future, as a segment of higher education provision, as it is now. As we think about how we spend money, are we aiming ourselves in the right direction? Are we clear enough about what that direction should be?

[266] I am rather puzzled about some of the things in the report, and it may well be that this is my own inadequate understanding and that I need a bit more help in getting to grips with this. To give just a few examples, we heard repeated this morning a figure that is in the

report—that 85 per cent of part-time students say that they cannot afford to give up their job. That is in the Callender survey, but the Callender survey, by the committee's own recognition, had some problems. The second survey that was done, which in my view was a better survey, because it was bigger and more methodologically sound, gives a different figure; it gives 63 per cent. There is quite a gap between 85 per cent and 63 per cent. It may be that there is a way of resolving that and that they are not saying different things, but are focusing slightly differently. However, I would like to be sure that we understand that, because it is significant.

12.00 p.m.

[267] Similarly, in terms of the picture that emerges about what the nature of the problem is—that a significant number cannot afford to give up their job—we recognise that. However, if we are asking whether the decision to study part time is a matter of choice or necessity, which seems to me one of the key issues that we have to get hold of, we see statements in these data that say that roughly two thirds of students find part-time study more convenient and roughly two thirds want to continue working full time. In terms of choice versus necessity, I am not sure what understanding I have got from this and I will need to study this a bit more to be a bit clearer on that. Similarly, on the issues about fee support, there is a statement in the report that says:

[268] 'The majority of part-time undergraduate students in Wales receive no financial support at all towards the payment of their fees'.

[269] However, one of the background studies says that three quarters of students did not pay any of the fees themselves. It might be that this is to do with language and differences between the definitions being used in different bits of the exercise and so on. However, personally, I want to be clearer about this in terms of thinking about how funding might be targeted, to make sure that we have understood exactly on which areas we might want to focus spending, and which are ones that we can say are to do with different issues and about which we do not have to be so concerned. That may reflect my failure to understand. I am not trying to quibble in picking those sorts of issues up, but I just want to say that it is important that we get the context of this matter clear before we go forward.

[270] I will just say a few words about the recommendations that relate, more or less, to HEFCW. Obviously we welcome—you would be surprised if we did not—the prospect of additional funding for the higher education sector, especially for an area of activity that is as important as this one. It is obviously not for us, but for the Assembly Government, to consider the principle of fee compensation that is outlined here. Our concern is to ensure that any movement in that direction is additional and not detrimental to existing activity. That point was made earlier in the budget discussions, which I listened to with interest.

[271] I would urge a bit of care about the comparison with England that seems to come through in the report. Again, it may be that I have not understood it correctly, but there are suggestions in the report that support has gone in from the English funding council that somehow transforms the position in England. I do not see that myself; I do not see significant sums going in. I see £20 million a year going in and we heard a discussion this morning about £10 million a year going in, potentially, in Wales. So I am unclear about that and I am not sure that I have quite understood quite what is being argued there.

[272] On the per capita funding issue, I am glad to see the way in which the report recognises it as a valuable mechanism for supporting part-time activity. It is unique to Wales in the UK and it predates my engagement, so it is nothing personal if I say that that is an invention of the funding council in Wales that is clearly doing some good. We can certainly do what the review proposes, which is to review it and think about whether it has been set at

an appropriate level. I would again urge a little bit of care about the assumption that it ought to meet all relevant costs, because nothing that we fund meets all the relevant costs. The reason for that is that there are multiple funding streams, for example, there are fees alongside the funding that goes in through us. I think that getting the balance right is the issue here, but it is certainly something to be looked at.

[273] I am less confident about the part-time premium, and I am distinguishing the part-time premium from the part-time fee waiver. I am not sure, again, that I have understood exactly what is being proposed here. The premium, if I have understood it correctly, appears to be proposed as a short-term measure, to come in while we review the per capita payment. If that is correct, I am not sure that I follow the logic of it. To introduce a temporary part-time premium would require some kind of basis for working out how big it should be and it seems to me that the work needed to do that is the same as the work needed to think about revising the per capita levels. I do not see on what basis we would do that. It seems to me that it is the same operation and we might as well try to get there in one jump.

[274] On the question of the part-time fee waiver itself, as distinct from the premium, I again welcome the warmth that is shown towards it in the review and the statements made about the relative simplicity of that policy instrument, relative to some of the other policy instruments for supporting part-time students that are around. To the extent to which it would be possible to integrate and make more coherent the various ways of supporting students, I am sure that that would be welcomed and I am sure that we would want to help to support that as well. Again, there needs to be a little bit of care in terms of making sure that we are diagnosing accurately and precisely enough what the issues are. We have a part-time fee waiver at the moment, but only about half of it is drawn down. In terms of identifying need and making sure that we are targeting attention, we are also directing attention to the right people. There is a bit of an issue here and it needs a bit more thought, in my view.

[275] I recognise too the reference in the report to the idea of changing the rule that says that people who have already had a bite at higher education cannot have another bite through a part-time fee waiver. That rule was introduced with the intention of establishing a priority that this was for people who were coming into higher education for the first time. So, it is a policy choice and of course it could be changed and it is perfectly open to change, but if we were to move down the line of saying that it is also to be open to people who already have degrees, we might just want to think about the equity balance in all of that and be quite confident about what we are trying to achieve.

[276] So, all of that is by way of saying that HEFCW regards this as a very important report. It brings together a vast amount of material and will help us to think now and into the future about this subject. It may be that we need a bit more discussion, as we perhaps start to think about allocating funding a bit differently, to sharpen the purpose and our sense of what that purpose is. We would be very glad to be part of those discussions.

[277] **Peter Black:** Thank you very much. Professor Halton, welcome to the committee.

[278] **Professor Halton:** You will have noticed, Chair, that I am not Amanda Wilkinson and, on her behalf, I apologise for her not being here. She told me early this morning that she is unwell. Therefore, I am obviously very well prepared for this and well briefed. I did not know that I had to make an opening statement but, like all vice chancellors, I will do so anyway off the top of my head and I will then be able to answer any questions that you have.

[279] We in Higher Education Wales, rather like HEFCW, have not had time to consult with our members sufficiently on this, so what I am going to say may be a little bland as a consequence. We welcome the report as an important document for higher education and we welcome it for the future of lifelong learning in Wales. We thank the team who have done this

and recognise the complexity of the task undertaken. We recognise how difficult it is to define a part-time student. I speak as someone from a reaching-out university. It is very difficult to cover provision for widening access students, taster courses, Welsh-language modules, continuing professional development activities for teachers and provision for MBA and PhD students, all of whom we have at the University of Glamorgan.

[280] It is important to say that this report has been necessary because of the success of Welsh HEIs in responding to higher-level priorities for Wales, such as widening participation, which has led to Wales being a market leader, particularly in part-time provision. Given possible future demographic shifts, with potential increases in adult learners, including, possibly, a larger adult immigrant population, expertise in the area of part-time provision will be crucial to the success, I would suggest, of all of our institutions. So, in that context, the issue of flexibility, highlighted by the Graham review, is important to enable institutions to be responsive to academic, student, commercial and financial demands, and we would agree that a one-size-fits-all approach would be wholly inappropriate.

[281] We welcome the acknowledgement of the financial pressures and associated costs that were outlined in the report. It is clear that additional funding will need to be identified in order to take these recommendations forward. Part-time education must not be provided on the cheap and we must recognise that the same standard of quality and student experience must apply to all those part-time students as it does to full-time students. I noticed the discussion about the provision for part-time students. In my university, it is extremely difficult to keep libraries and other research areas open for our part-time students at the times that they need them. Ensuring that there is parity of quality is an absolute must for our part-time students. So, we welcome the proposal that the part-time fee waiver is to be retained.

[282] I will comment on timescale. Institutional planning and ensuring that courses are available and publicised for part-time students takes some time. The institutional planning for the 2007-08 academic year, certainly in my institution, is virtually complete, so we really have to think hard about the timescale in response to this review and work very fast if we are going to move as quickly as the review suggests that we might. Therefore, I have some concern about continuing to debate, in other groups, some of the areas of this report, as HEFCW suggested. If we are going to move on this, we have to recognise the fact that those timescales are very important. So, we will support the further work to take the review forward, bearing in mind those timescales.

12.10 p.m.

[283] Finally, we thank Dr Graham and her team for their valuable work. We look forward to working with the Assembly and HEFCW to take these proposals forward. Thank you.

[284] **Peter Black:** Thank you. We will now take questions from Members.

[285] **Jeff Cuthbert:** I have a request for one point of clarification from Professor Gummatt. You said that, in terms of the fee-waiver scheme, only half of the fee waiver is drawn down. Do you mean half of the money set aside for the budget, or that half of those who are entitled to apply do not apply? If it is the latter, why do you think that is?

[286] **Professor Gummatt:** I mean the former. We set aside £1 million a year, and we tell institutions, in response to proposals from them about what they think their needs are likely to be, how we are dividing that between them. At the end of the year, we ask what was actually spent, and it is about half of what is allocated. There are all sorts of reasons why this might be so, and it is a somewhat volatile figure, too. For the most recent year in question, there have been changes in other student support arrangements, and the explanation as to why only half of that money is being used must have something to do with these other schemes, which are

in play as well. There are different ways of interpreting it. It could be saying to us that there is no more need for support, or it could be saying that this is all very complicated, that people are getting lost somewhere in the processes, and that avenues that are open to them are not being followed. I do not want to draw a conclusion about that; I simply want to say that, before we go down the line of saying that there is a problem here in terms of the amount of money available, that is not necessarily the case, and we need to understand this rather better.

[287] **Professor Halton:** My response is clearly from the point of view of one of the universities that looked at this. One of my reasons for suggesting that this is the case—it is drawn out in the report—is the complexity of applying for the various and different support mechanisms for part-time students, particularly those up in the Valleys who we are trying to attract on 10-credit modules. It is not necessarily the case in this instance, but making everything simple is an absolute must. While I was sitting in the public gallery earlier, I heard questions about why there is a distinction between inquiries and registration—I believe that it was you who asked those questions, Minister. One reason, I believe, is that it is sometimes daunting, unless we can, as an institution, be out there, helping those students through what they perceive as being a very daunting process. A reason why there is, perhaps, a distinction or difference between the inquiries and the actuality is that of location. In all our discussions this morning, I would emphasise the further education institutions that my institution in Glamorgan and the institution in Newport now work with. Looking at some of the work that they do in reaching out to part-time students in HE, they seem to have a much better record—in answer to the Minister's questions—from inquiries through to students actually appearing. That is, primarily, because of location, ease of students' ability to get there, and being helped through the process. I am quite clear that many of the barriers are those of bureaucratic process.

[288] **Janet Ryder:** I am glad that you raised that, because one of my questions is about that. The point was made earlier that the system is complicated and needs simplifying. If this extra support money is to be made available to higher education institutions, how do you intend to ensure that it is spent on part-time provision? How can we monitor that and ensure that it happens? Also, how can you take on board those points that have been raised already—that you have to look at your library provision and so on?

[289] **Professor Gummett:** These are very early thoughts, and are tempered by the point that has already been made that this is very complex territory, because many of the issues raised about the difficulties of maintaining good provision for part-time students apply equally to maintaining good provision for full-time students. Many full-time students these days want libraries to be available, if not 24 hours a day, certainly longer than from 9 a.m. to 5 p.m.. Some of the issues are to do with widening access rather than a full time/part time distinction. Many of the issues to do with the complexity of processes and the help that is needed, and so on, are to do with the background and the preparation, which people have or have not had, and their capacity to hack their way through the jungle in which they find themselves. That applies as much to full-time students as it does to part-time students. So, there is a bit of an issue and I think that the honest answer has to be that we will never be able to separate all of these things and that we probably should not try to do so.

[290] If this is the way that things move, I would guess that there is an analogy with the way in which we have been handling fee planning in respect of full-time students. What we have had is guidance from the Assembly Government about expectations over the use of the additional income that will come through the £3,000 fee for full-time students. I could imagine a model that was rather similar to that, where, if there were to be fee compensation paid, in allocating it to institutions they could be asked to specify how they would use, if not all, certainly some part, of that money, and then report on it. That is how it works for the full-time arrangements. We have established processes for institutions reporting on how they use money that has been given to them for particular purposes. So, we could slide that reporting

process into a well-established and well-oiled machine, as it were. Those are early thoughts, but it would seem to me that it ought to be compatible with existing kinds of processes of a very familiar sort.

[291] **Professor Halton:** As accounting officer, as it were, for my institution, I would absolutely welcome a monitoring process such as the one that Philip has outlined. If we were to have additional funding for this activity, I do not think that it would be appropriate for it to be used for anything else. I would welcome working with HEFCW to deliver a reporting model that satisfies the Welsh Assembly Government on this. It would not be a problem.

[292] **Janet Ryder:** May I ask a further question, Chair?

[293] **Peter Black:** Before you do, Dr Graham wanted to come in earlier and I missed her.

[294] **Dr Graham:** It was just a point of clarification that can come whenever.

[295] **Peter Black:** Shall we do it now? I will then bring Janet back in.

[296] **Dr Graham:** Okay. It was just about a couple of points that Professor Gummatt raised, one of which was the conflicting evidence. There is no doubt that there was conflicting evidence. The issue around financial support for students was a very difficult one to identify, largely because HEIs simply keep records of who has paid the fee. They do not keep records of whether students subsequently claim them back from their employers; so you get different statistics on that. That was difficult. I accept that there were a number of areas where conflicting statistics were coming in—it is the same with questionnaires; it is terribly difficult to pin down.

[297] On the other point about the part-time premium, the rationale behind that was very simple. It was not a huge amount of resource; it was simply to enable institutions, particularly smaller institutions, I suppose, to provide the one-stop-shop mechanism for students applying and going through the inquiry stage. So, I think that that had a very specific purpose in our recommendations.

[298] **Peter Black:** That is very helpful. Thank you. Janet, do you want to come in?

[299] **Janet Ryder:** I refer to a point that NIACE raised earlier about the fact that there are fewer students doing what can be classed as graduate premium courses part time. Is that because of demand or supply? I would welcome some thoughts on that.

[300] **Professor Gummatt:** I am not sure whether I quite grasped that. There were fewer students doing courses—

[301] **Janet Ryder:** Predominantly, more students who take part-time courses go into languages, arts and such subjects, not necessarily into those that would be classed as graduate premium courses. Is that because the courses are not there, and are not being offered by institutions at part-time level, or is it the case that the demand is not there?

[302] **Professor Halton:** I will speak first, because I can see that you are struggling. It is not just one or the other; it is both. If you look at my institution, we would love to provide more civil engineering courses, and we think that we ought to, because of the Heads of the Valleys initiative and so forth. For part-time students, that is a huge investment in terms of cost. You then go out to the market, which says, 'We have not had this for some significant time'. Part-time students are not quite sure whether it is worth it for them to invest in this, given that civil engineering has not been happening a great deal in the Heads of the Valleys area. I want to believe that it will do, but it may not.

12.20 p.m.

[303] Therefore, you have the market issue and also the cost of presenting a part-time offer for subjects where it is very expensive to do them properly on a part-time basis. So, I think that it is a bit of both. Also, in a number of institutions, there is a tendency to want to focus your attention on the full-time courses, because, out of those, and the full-time postgraduate courses in particular, comes research and research activity. So, you want to sustain that research activity with income that is generated through the postgraduate and research students, and maybe some undergraduates as well. You cannot rely on part time, and, therefore, you are less likely to offer a part-time offering because it is not going to contribute to those other areas.

[304] **Janet Ryder:** If we wanted to change that situation now, what would have to happen?

[305] **Professor Halton:** There would have to be a change of attitude on behalf of the higher education institutions. It is fair to say that, because higher education institutions tend to be backward looking rather than forward looking in this respect. However, the second change would have to be about focus. We cannot provide everything and, so, we would have to have a very clear economic steer in our regions as to where we would expect there to be real employment opportunities in the future and how we can therefore sustain that. We have been working with the schools councils on those issues, particularly in my institution, because we are now the proud inheritor of a further education institution, and that all-through opportunity is now available. We are working very hard to try to meet those economic opportunities. However, it has to be focused; you cannot do everything.

[306] **Professor Gummatt:** I would agree with all of that. I would also say that we should be a little bit careful about accepting the dichotomy that was proposed earlier between those subject areas that lead to high earnings and those that do not. I am not sure that I buy it. I know that there are macro studies that show that you can pull out data, but it tends to be expressed in terms of them being high-value subjects—that tends to be the language that is used. I sit there thinking, ‘Does the fact that, on average, the people who got degrees in those subjects earn more make the subjects high value?’. If you take the subjects that have been referred to here, quite a lot of people earn quite a lot of money even though, you might say, they are graduates of those subjects. Trying to find out what is the cause and effect in all this is quite complex, so I am not sure that I buy the proposition quite as it was put. However, I also agree with what David said a moment ago, namely that demand here is also extremely important. What we have in the higher education sector is a pretty demand-responsive set of institutions, and we try to maintain the balance between what a funding council says in terms of the way in which it distributes money, and what institutions do when exercising their autonomy, because they are closer to the market and they respond to it. They can see opportunities, and I am sure that if David could see opportunities to start to develop activities, he would not be slow about doing it. It is a complex balance, but demand is very important in this.

[307] **Professor Halton:** I would agree with Phil, but if you are in some of the communities that we serve, even though you may be very interested in eighteenth-century French literature, what you need to get first is an employable opportunity, and you need, therefore, to take something that allows you to feel comfortable so that you can study eighteenth-century literature. I am very focused—and it is not just my institution, as there are others—on trying to provide economic gain so that these other activities can then come about.

[308] **Peter Black:** Thank you. Minister?

[309] **Jane Davidson:** I have three points. The first is that I can assure you and Members that the additional funding will be monitored closely to ensure that it is used in terms of part-time provision. I also wanted to ask two questions. The first one is in relation to paragraph 4.6.1. We did not have a chance to explore this with members of the panel team, but there is, as the paragraph demonstrates, some counter-intuitive evidence around issues of quality and affordability. The paragraph states that the evidence showed, counter intuitively, that students would not be prepared to pay tuition fees that were considerably higher than current levels, even if they were given a substantial fee grant to help them to meet the additional costs. Conversely, the evidence also shows that if the level of headline fees were too low, some students would question whether that would put the quality of provision in jeopardy. In fact, the graph shows that around 70 per cent of students think that a low-fee course would be of dubious quality. So, there are difficult issues, as it were, to explore.

[310] Paragraph 4.6.4 states that the optimum fee level identified for a half-time course is £400, but my reading of the chart is that, where the graphs intercede, it shows a fee of around £600, which is half of the current full-time provision. So, I would be grateful for a commentary from all parties on how they see this inter-relationship between quality and affordability, because that will guide how we take this debate forward.

[311] My second key question, which has not come up this morning, is on the amount of higher education that is delivered through part-time further education. There are no figures in this report on higher education through part-time further education. As one of the largest franchises comes from the University of Glamorgan, it would be interesting to hear views, in terms of access, on whether or not we should also specifically be looking at expanding the part-time opportunities through further education, which obviously, in many ways, involve more localised venues for individuals from the most disadvantaged groups, and on how we could take that forward. I would like a response from all participants.

[312] **Professor Gummatt:** On behalf of Heather and Robert, I think that the discrepancy between the graph and the £400 is due to the fact that they come from the two surveys. The £600 is from the Callender survey and the £400 is from the GfK NOP Ltd survey. So, I think that that is what is going on there, but I stand to be corrected.

[313] The substantive question was on affordability versus value and whether a cheap price makes the goods look cheap, as it were. I would go with the response that Robert Pearce gave earlier on a similar question, namely that we would expect the marketing of part-time fees to change within the new environment created by the full-time fees. So, we would expect expectations about what is a reasonable fee to pay to start to change over time. We do not know how fast that will happen, and one of the issues in the detail of how a fee compensation scheme might be operated would be to say, 'How could we monitor what is a reasonable fee for institutions to charge?'. An easy option, which I am sure no-one would even think about, would be to keep our fees as low as possible and just collect the difference from the Assembly. We expect the realistically chargeable fee to rise over time, but the question of how quickly and how we would monitor that would be a bit of an issue. That would be the point. So, I would expect those numbers to grow.

[314] On HE via FE, that is a very important area. It possibly bears further reflection than what we have before us here on the differences in terms of how the interface between HE and FE works across the UK. There is a lot of emphasis in this report on the high percentage of part-time students in Welsh higher education. Furthermore, the majority of those are doing sub-degree work, such as the higher national certificate, the higher national diploma, and so on. If we were having this discussion in Scotland, we would find practically none of those students in the higher education sector—they would all be in the further education sector. They operate the divide quite differently. In England, they have much more directly funded higher education in FE colleges. So, we have different patterns. I am not saying that one is

right and one is wrong—they are all different and we have arrived at them for all sorts of historical reasons. Essentially, we have to move forward from where we are, whether or not we think that what we have is necessarily ideal.

[315] The pattern that we have is one that bears some future thought, particularly in terms of our earlier discussions on sector skills councils and the issue of foundation degrees, in particular, as they are quite important in terms of future part-time provision and how we can think more imaginatively about ways of marrying up FE and HE institutions as partners in the provision of foundation degrees. There is scope for us to do more there. We should not take for granted the particular distribution that we have. There is nothing inevitable, natural or given about it. This is demonstrated by the fact that it is different in other parts of the UK.

12.30 p.m.

[316] **Professor Halton:** The average price is something that, in reality, does not make any sense at all. We charge a significant amount of money for a part-time MBA, particularly if it is offered overseas, and we charge nothing for a large proportion of our part-time offering, either for European funding reasons or other reasons. The fee will reflect a combination of factors that relate to the due regard that the particular subject is given in terms of the employability of students afterwards, and so on. So, elasticities will change depending upon that value attachment. I do not think that it is helpful, other than for a course-funding methodology, to talk about an average price. I am sorry if that is not helpful, but it is the reality. The reality is how the market perceives things and offers a value judgment on the price. We have moved the price up on some goods and more people have applied for things. So, there are some Giffen goods out there as well.

[317] I am very interested in the issue about further education. As you know, we have a group of accredited institutions, as we call them, which are our further education partners. We are keen to develop foundation degree programmes with them. We believe that they will be able to respond well to the part-time market. They provide the opportunity for progression, which is something that I am used to in an English context, and I want to facilitate that in the Welsh context, particularly in our area. It is the case that further education institutions do part-time foundation degrees extremely well, because they are close to the market, to employers and to their local communities. If we can get engagement there, it is an area of further study that we would need to undertake with the funding council. I believe that there is nothing to be lost in doing this together. So, I would be interested in looking at that and using us as a case study, or Newport, which I am sure would be a similar case study.

[318] **Professor Gummett:** On the figures that the Minister was asking about, David has—

[319] **Mr Blaney:** Around a quarter of part-time undergraduate study is undertaken in further education institutions—around 250,000 credits are franchised out for part-time study. There is some direct funding provision in further education institutions, but that is typically full time, so it is negligible. So, about a quarter of the part-time undergraduate market is in FE.

[320] **Dr Graham:** I would just like to pick up the point about the difference in terms of the optimum fee levels. That is an interesting illustration of the different feedback from an e-delivered questionnaire and a hard-copy questionnaire. That is an interesting example of how the socioeconomic factors are reflected.

[321] **Peter Black:** Thank you all for coming along and for giving your presentations, it has been very helpful. That brings us to the end of the meeting. Thank you.

Daeth y cyfarfod i ben am 12.33 p.m.

The meeting ended at 12.33 p.m.