

## REVIEW OF HIGHER EDUCATION IN WALES

### PREFACE

- i On the 1<sup>st</sup> October 2008 the Task and Finish Group reviewing Higher Education submitted its detailed proposals on student financing. The Group then commenced its work on Phase Two, a high-level Review of the “mission, purpose, role and funding for higher education in Wales”. We were conscious of the short time frame available for the Review and of the rapidly changing economic, financial and political circumstances in which we were operating. During the week leading up to the completion of this Report there were a number of new developments including, amongst others, the announcement of a commitment to a new merged higher education institution in West Wales and the publication of the UK Budget.
- ii We have, as a group, attempted, to take a longer-term view of the purpose and operation of higher education in Wales. We have identified strengths and weaknesses in present performance as guided by *Reaching Higher* policy, and have investigated a number of areas in depth by way of a series of written input by stakeholders, focus groups<sup>1</sup>, presentations, and a series of discussion papers. The written evidence we received and the oral presentations we heard have informed the detailed recommendations we put forward here. However, we see the input we received, and the discussion papers, as feeding into an ongoing process rather than as being definitive. To advance and inform future developments the discussion papers will be published on the Welsh Assembly Government website in the near future.
- iii What this Report also suggests is a new, strategic, approach to achieving the desired outcomes which we have identified, a national approach to achieving a step change in the success of higher education in Wales. You will see that we recommend a National Compact to achieve this outcome<sup>2</sup>.
- iv We could not fail but be aware of the long and short term financial implications for the public sector of the grave present economic circumstances. We therefore warmly welcome the policies adopted to secure additional funding for Higher Education in the future following Phase One of this Report. Phase Two indicates the priority areas in which this additional funding, and any further increase in funding, could be invested but we were aware that detailed decisions and allocations in this regard were not a matter for the review group. We were also

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<sup>1</sup> See Annex 1 for details of stakeholder engagement.

<sup>2</sup> Clearly the Higher Education Funding Council for Wales (HEFCW) would play a pivotal role in any such strategic compact. We were conscious, however, that a Governance Review of HEFCW was imminent and trust that our suggestions and aspirations in this regard will be helpful to the Governance Review process and that the detailed background work which we have compiled will feed into future work streams as we move forward to achieve our shared strategic objectives.

conscious that any further resource made available will need to be very effectively and efficiently deployed to achieve strategic outcomes.

## **SECTION 1: INTRODUCTION**

- 1 This Report has been prepared against the background of extraordinary financial turmoil and uncertainty concerning the future. It has, therefore, been a challenging time to be undertaking a review of higher education in Wales. The Welsh and global economy is being challenged and reshaped in a way not seen for generations, with profound implications for how and what investment takes place, and how government, public services, and businesses act and interact.
- 2 However, while taking full account of the present circumstances and acknowledging that there can be no “business as usual”, this report seeks not to be overwhelmed by the present crisis. The prevailing challenges have, in fact, acted as a catalyst. They have served to highlight the vital importance of having a higher education sector that can through the skills of its graduates and the exploitation of its research drive a country’s economic performance and minimise the impact of an economic downturn.
- 3 For this reason we have taken a long term and high level view. We began by considering what the purposes of higher education should be. From that we have built our aspirations for the mission, purpose role and funding of higher education in Wales. We believe that, with the right support, leadership, cooperation and commitment from all partners, higher education in Wales has the potential to fulfil this purpose, and play a major role in the transformation of Wales into a prosperous and successful country that is recognised for its achievements worldwide.

## SECTION 2: PURPOSE AND ASPIRATIONS

- 4 As a group we agreed it was essential to begin by defining the purpose of higher education for Wales. We explored similar Higher Education (HE) reviews in Scotland, Australia and England before identifying our cornerstone statements. The purpose of higher education is to:

create the environment to challenge and support individuals to achieve the highest levels of intellectual and personal fulfilment, no matter where they come from

foster research and exploration which adds to the sum total of human knowledge, irrespective of whether the intellectual discovery has a direct or immediate application

develop the knowledge, high level skills and understanding of individuals in order to drive an adaptable, sustainable and innovative economy

exploit knowledge and expertise in order to drive sustainable economic growth and wealth creation

help nurture a democratic, civilised and inclusive society recognising diverse cultural identities and celebrating cultural creativity.

play a lead role in ensuring that Wales is recognised as a valued contributor to the global community

- 5 Given the role and purpose of higher education, the constitutional arrangements which govern its operation, and the public funding it receives, higher education institutions also have a duty to:

make effective and efficient use of resources and demonstrate high-quality governance and leadership.

- 6 On the basis of these statements of purpose and accountability, we put forward our aspirations for higher education in Wales:

<b>Purpose</b>	<b>Aspiration for Wales</b>
To create the environment to challenge and support individuals to achieve the highest levels of educational, intellectual, and personal fulfilment, no matter where they come from	<p>Teaching and learning quality is recognised internationally as being of the highest level</p> <p>All those able to benefit from higher education can do so</p> <p>Access to the widest possible Welsh medium provision is available to all those who wish to take advantage of it</p>

<b>Purpose</b>	<b>Aspiration for Wales</b>
To foster research and exploration which adds to the sum total of human knowledge, irrespective of whether the intellectual discovery has a direct or immediate application.	Wales is recognised internationally for its research excellence, attracting the best researchers and creating a thriving research community which in turn nurtures future academic strength

<b>Purpose</b>	<b>Aspiration for Wales</b>
To develop the knowledge, high level skills and understanding of individuals in order to drive an adaptable, sustainable and innovative economy	Economic success is enhanced by high skills, through programmes designed and delivered in collaboration with employers, and targeting areas of agreed strategic need.

<b>Purpose</b>	<b>Aspiration for Wales</b>
To exploit knowledge and expertise in order to drive sustainable economic growth and wealth creation	Innovation and productivity, through the exploitation and commercialisation of research and development, transforms Welsh economic performance.

<b>Purpose</b>	<b>Aspiration for Wales</b>
To help nurture a democratic, civilised and inclusive society recognising distinct cultural identities	Higher education helps create an intellectually ambitious, articulate “critical culture” in Wales, which encourages individuals and communities to contribute actively to the civic, cultural and democratic life of the nation and internationally.

<b>Purpose</b>	<b>Aspiration for Wales</b>
To play a lead role in ensuring that Wales is recognised as a valued contributor to the global community	The quality of its higher education makes Wales a destination of choice for international learners and researchers, the academic community and business, and establishes Wales as a full member of the international community.
<b>Accountability</b>	<b>Aspiration for Wales</b>
To make effective and efficient use of resources and demonstrate high-quality governance and leadership practice.	The higher education sector is recognised internationally for the quality of its governance and leadership arrangements and for the high return on resources that it delivers.

## SECTION 3: RECOMMENDATIONS AND THEIR RATIONALE

### The long term shift in the nature of learning and skills

- 7     Aside from the immediate economic challenges we face in Wales, along with the rest of the world, this review has recognised the emerging long term and significant change in the composition of the HE student body and in the forms of delivery of HE provision. A combination of reduced numbers of 18 year olds in the future, the success of widening access and the urgent need to reskill and upskill those already in the workforce (or those of working age not in the workforce) present complex challenges, and opportunities, to which HE must respond.
- 8     These developments are so significant that manipulating and tweaking an initiative here, and a programme there, is not the way forward. The review revealed some fundamental questions that we need to ask ourselves in Wales about the future mission, purpose, role and funding of higher education in Wales. We need and deserve a first class higher education system sustaining first class teaching and research that can compete with the rest of the UK and globally. Unless these fundamentals are tackled decisively, the long term success and sustainability of higher education in Wales and hence of the aspirations of Wales to be a knowledge based economy and a prosperous and socially inclusive country will be in jeopardy.

### Higher Education is central to Wales's future

- 9     Our aspirations and recommendations are based on our conviction that a strong higher education sector and strong aspiration to higher level skills are without question, essential to a country's ability to compete in a global market place, and to its ability to develop and adapt effectively to significant and rapid societal change. Governments throughout the world look upon their higher education sectors as essential wealth creators through the creation of graduates with high level skills, and through the establishment of a research and science base that can be exploited for the benefit of the economy.
- 10    This is recognised in the 2007 Lisbon Declaration of the European Union (*Universities and the Knowledge Society*): *The central task is to equip Europe's populations— young and old – to play their part within the Knowledge Society, in which economic, social and cultural development depend primarily on the creation and dissemination of knowledge and skills. ... it is these skills which Europe's universities are good at developing, through discipline-based education as well as more professional training, all based in the fundamental research which is the particular role of the university system.*
- 11    It comes as no surprise therefore that international competition between national higher education systems and individual higher education

institutions is now increasingly intense. There has been an explosion in higher education participation in both the developed and the developing world as countries strive to develop high level knowledge and expertise to build the foundations for sustainable economic growth. China, with a Gross Enrolment Rate of 21% has 25 million undergraduate students and over one million postgraduates studying at its expanding universities and a further 1.3 million students studying abroad, some of them in Wales.

- 12 Within the space of a generation there has been a seismic shift in the UK from a higher education system designed for a small minority, to a mass education system: in 1960 there were 200,000 full-time university enrolments in the UK. By 1995 this had increased five-fold to one million. In 2006-07 the number of full-time enrolments stood at almost 1.5 million. Of equal significance has been the explosion in part-time higher education during this period. In 1995, the UK had almost half a million part-time enrolments. By 2006-7, this number was almost one million. Higher education growth in Wales has broadly paralleled the UK experience and, like other parts of the UK, we are still adapting to that shift.
- 13 Given this situation we acknowledge and welcome the Minister's invitation for us to take a root and branch approach to this review. This, in itself, is an indication of the Government's commitment to the future of higher education and we welcome the determination of the Minister and the Welsh Assembly Government to set a long term and sustainable direction for Welsh higher education.
- 14 This has come at a time of similar reviews of higher education in a number of countries. Essentially, all these reviews have, without fail, identified not only the economic importance of higher education, but also its role in developing an environment of participation in civic society, social inclusion, cultural expression and democratic freedoms. The culture of academic freedom, scientific inquiry, rational debate and reflection, as well as the hunger for ongoing learning are at the very heart of the purpose of higher education and are vital not only in underpinning a just and democratic society, but represent the prerequisites to economic development and growth. This is well-expressed in the Review of Higher Education in Australia published in December 2008:

*“There is an international consensus that the reach, quality and performance of a nation’s higher education system will be key determinants of its economic and social progress. If we are to maintain our high standard of living, underpinned by a robust democracy and a civil and just society, we need an outstanding, internationally competitive higher education system. .. Higher education will continue to be a cornerstone of our legal, economic, social and cultural institutions and it lies at the heart of (our) research and innovation system”.*



- 15 What applies to Australia is equally valid for Wales. This review has therefore come at a critical time. As in other countries we need to consider fundamentally what we want higher education to do for Wales, and how we ensure it is fit to carry out that purpose. By taking this action now, Wales has the potential to be in the forefront of a new vision and direction in higher education. We believe that our recommendations are worthy of that ambition, and can set a path for a successful and sustainable future for higher education in Wales.
- 16 This review, however, carries a further special significance in Wales. It is essentially that last piece in the *Learning Country* jigsaw. It complements the pathways created through previous reviews and policies concerning schools, colleges, workbased and community learning. We were acutely aware of the opportunity we had to extend and widen those pathways and set higher education as the destination point post-19, with an ambition to support learners of all ages, employers and workforces through developing advanced skills.

### **The Challenges and our recommendations for addressing them**

- 17 Aside from the significant international and demographic developments affecting our future higher education needs, we recognised a number of more immediate issues which we need to address in Wales. There are many examples of international excellence in Wales but, overall, our HE sector casts an insufficient shadow on the world scene – Wales, for example, has just one institution in the Times Higher top 200 league table of (Higher Education Institutions) HEIs compared with 4 in Scotland and 24 in England.
- 18 We believe that the current operation, support and perception of higher education in Wales puts at risk Wales's future success and standing as an economy and society. As a Group we considered a range of information and opinion (Annex 2 contains a summary of some of the key figures). During the review we found that a number of key issues emerged repeatedly:
- 19 Understanding the nature of higher level skills provision We were struck by the limited awareness of the wide range of activity that takes places under the umbrella title of "higher education", of the impact it has on Wales, the value of higher level learning and skills, and of graduate and postgraduate skills. There persists a prevailing view of higher education being first and foremost for school-leavers on full-time undergraduate degree programmes studying "academic" subjects. We believe the persistence of this view is perhaps evidence of the speed with which higher education has changed within a generation. In 2007/8, for example, 1 full time student in 6 was over the age of 25, and 41% of all enrolments at Welsh HEIs (including the Open University) were by students studying part-time. Moreover much HE provision is vocational, educating and training professionals such as nurses, doctors, teachers, engineers, social workers, technicians and many others. Even more

striking is the impact of higher education on the Welsh economy in many different ways. The combined turnover of the HE sector in Wales is over £1bn per annum. Students entering Wales from the rest of the UK and abroad make a significant contribution to the economy while they are here, and more so if they remain.

***We recommend action to articulate the role of higher education more clearly and appropriately to a range of audiences in Wales: individuals, businesses, communities.***

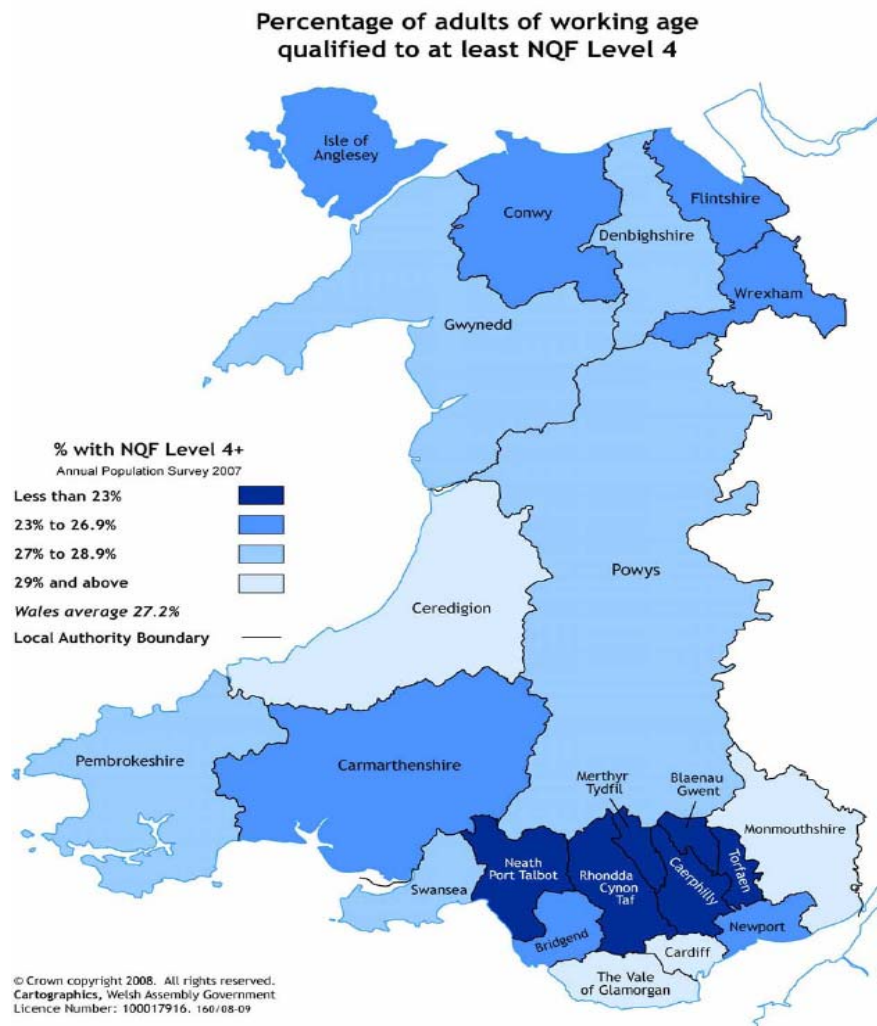
- 20 Aspiration to learn: A key message of education policy in Wales for several years has been that learning is for life, and that everyone stands to gain from a high quality learning experience at all ages and levels. Higher education represents the highest level of educational achievement, but research has identified that achievement at any level brings benefits, including success in work and employment, self esteem, motivation, health and well being. The future success of Wales depends on instilling widespread aspiration at all ages and circumstances, including to higher education. We note the progress in Wales in driving up participation and achievement. However, we have noted a wide range of projects and initiatives to encourage participation in different types and levels of learning, and different subject areas. We fear this is confusing, and that key messages are being lost.

***We recommend a reconsideration of the range of programmes at all ages and levels promoting learning and skills, with a view to consolidation under a smaller range of key themes***

- 21 Access to higher education – Paragraph 7 in Annex 2 presents figures on the performance of Wales in relation to widening access to higher education. We noted a wide range of programmes to fund and support wider access, and welcome the Government's "all-age" approach to this area of policy, but consider that there has been some overall loss in momentum in recent years, and aspects of this critical agenda which remain to be challenged. We were concerned to see that, despite rising participation overall in Wales, the scale of the challenge in parts of Wales remains considerable. As the map below illustrates, there remain areas which still experience starkly lower rates of HE participation and achievement, significantly lower than average skill levels, and fewer local opportunities to access higher education. This risks embedding a vicious circle of concentrated deprivation, low individual and community confidence, and economic decline which will be ever more difficult to tackle the longer it persists. The lowest achievement rate lies in Blaenau Gwent where 17% of the population are qualified to level 4 or above under the National Qualifications Framework (NQF), which is based on the Credit and Qualifications Framework for Wales (CQFW). Blaenau Gwent is just a few miles from Monmouthshire, where the figure is 39%, the highest in Wales<sup>3</sup>.

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<sup>3</sup> Source: Annual Population Survey, 2007.



- 22 Going hand in hand with this, our overall success in widening access is accompanied by high drop out rates relative to other parts of the UK. Therefore while we may have succeeded in opening up higher education to many more people, we have more to do to help them fulfil their aspirations. We believe the Transformation Agenda in post-16 education and training, and the 14-19 framework, can make a critical contribution to improving access for young people through clear progression pathways.
- 23 Following completion of Phase 1 of the review, the group was asked to include consideration of bursaries in phase 2. It is of particular significance to widening access and supporting greater retention. The scale of resources earmarked for the national bursary scheme alone is significant: £42 million in total set aside by institutions for the five years until 2012. However, we received evidence which pointed to a confusing range of criteria and levels of awards, a situation which is partly inevitable given the scope HEIs have to design and disburse bursaries

within a broad framework. While bursaries are viewed as an additional tool for supporting those who are most financially vulnerable, there is also differing practice among HEIs relating to the use of both bursaries and scholarships as an incentive to aid recruitment, and a means of competing with other institutions in the UK.

- 24 We believe there needs to be a stronger distinction between scholarships and bursaries and sharper criteria for bursaries. Scholarships can, for example, rightly be deployed by HEIs to encourage interest from particular types of applicant, or to encourage recruitment into certain subject areas. It is clear that the higher education sector is still adjusting to the existing system of the national bursary scheme, which was introduced in 2007. However, there is considerable scope for bursaries to be deployed in ways which help address the issues we faced in Phase 1 and the issues we have faced in Phase 2 of this review, including:
- the need to target those most in financial need and vulnerable (whether studying on a full or part-time basis)
  - easy to understand and straightforward to administer
  - helping to achieve Wales's national ambitions.
- 25 There is an opportunity, in the context of action to widen access, and in view of the forthcoming reforms to student finance following Phase 1, to simplify and make more transparent and equitable the existing bursary system, and open up opportunities for more strategic targeting in line with national objectives. This can go hand in hand with further encouragement to HEIs to continue to develop and adapt scholarship schemes that both reward individual performance and give competitive edge to recruitment in a UK context.
- 26 A unique dimension to higher education access in Wales is the availability and use of the Welsh language. The group noted that moves were already underway significantly to raise the use of Welsh in higher education and the capacity of the sector to nurture and develop its strength and presence. The key development is the Coleg Ffederal, on which recommendations were being prepared in parallel with this review. We are keen that it is taken forward hand in hand with our recommendations.

***We recommend:***

***a refreshed all-age National Access Strategy to target areas of low participation and build support arrangements***

***a consolidation of the various strands of support and funding for widening access into a smaller number of higher impact priorities***

***a programme to achieve higher retention and completion of students through personal and study support, including financial literacy and career advice***

***a clear and transparent framework for means-tested student bursaries for both full-time and part-time students which more clearly reflects learner need and national ambitions, complemented by the use of scholarships to address competitive recruitment needs***

***HE becomes an integral and central component of the Transformation Policy to ensure increased participation, greater collaboration and more coherently planned provision of learning***

***the Coleg Ffederal development is viewed in the context of the refreshed national HE access strategy and the recommendations on compact and delivery framework made in this report.***

- 27 Effective part-time opportunities and flexible delivery are essential components of widening access, but have a wider relevance to higher education. Given the need for developing higher level skills within priority sectors, the skill needs of those not currently in the workforce, and the need to accommodate an increasingly diverse learning community, flexibility of delivery is a core requirement. Part-time higher education, and the credit based funding system which underpins it, offers Wales significant scope to raise the volume of higher level participation and achievement within workforces and communities. We note that part-time participation has risen more sharply than full time participation over the last decade, but that very recently, part-time participation as a whole has started to fall. It is too early to know the precise reasons for this decline, but it must be closely watched to identify and address the reasons.
- 28 We have noted the difference in the financial support arrangements for part-time and full-time students, especially in relation to part-time students – unlike those who study full-time - having to pay fees up front. While the reasons for such differences are complex and varied, their starkness is uncomfortable, particularly when in reality the study patterns of full-time and part-time students are increasingly blurred because of the potential flexibility available through the credit system recognising that this will vary from institution to institution depending on mission, the composition of the student body and the local population base. Tensions and weaknesses need to be addressed, and greater investigation is needed into areas where our understanding is currently weak, including:
- the latent demand for part-time study (where more people might pursue subjects if they were available);
  - the extent to which people choose not to participate in higher education because of the cost;
  - study and pastoral support for part-time students to ensure retention.

- 29 One issue is the ability of existing finance and funding regimes to sustain this provision in the longer term, given changes to the regimes for full-time provision. The market plays a significant role in setting fee levels for part time courses. This can have a beneficial effect on students in terms of keeping fees relatively low, but where this happens, there is less incentive for institutions to invest heavily in part-time learning, and for those institutions which have historically sustained a large proportion of part-time provision, a risk of not being able to derive income from student fees.
- 30 The Graham review led to changes in the funding regime which mitigated some of the most challenging issues regarding the experience for the part-time learner. However, the issue remains whether the approach to and level of support is sufficiently addressing the challenges in the longer term, and creating an environment where part time provision is able to grow organically and respond to skills needs in Wales.
- 31 It is accepted that HEIs are still in the early days of experiencing and optimising the post-Graham changes. This funding, and its impact on part-time HE provision in Wales, should be maintained and continue to be monitored closely.

***We recommend***

***part-time learning is supported and monitored in ways which recognise its current and future significance to fulfilling aspiration, inclusion and workforce development. This includes maintenance of the current support arrangements following the Graham review.***

- 32 Research – the 2008 UK Research Assessment Exercise (RAE) has shown that there are numerous examples of internationally-leading excellence in Wales, and some areas of outstanding strength, but overall Wales's research base, particularly its science base, still lags behind the rest of the UK in terms of both quality and quantity. Results from the RAE show that, while 14% of research undertaken in Wales is world-leading, in England the figure is 18% and in Scotland 15%. Similarly, while research funding won from the UK Research Councils by Welsh HEIs has risen from £23m in 2000/01 to £35.6m in 2006/07, the proportion of total available funds won by the Welsh sector has remained around 3%, despite the target to achieve a higher proportion.
- 33 The insufficient scale of many research units and funding for research are quite probably the two most significant causes of failure to obtain a larger percentage of Research Council funds. We recognise that substantial measures to improve scale and scope and achieve critical mass have taken place in recent years, through the creation of research collaborations, often funded through the HEFCW Reconfiguration and Collaboration Fund. Similarly we welcome the changes made by

HEFCW to the core research funding (QR) methodology and the transfer of additional funds to support research activity for 2009/10. However, the above figures suggest that Wales is not closing the gap with our competitors in research performance and that more needs to be done to achieve critical mass and raise levels of investment in research.

- 34 We believe better performance in attracting postgraduate researchers to Wales would have significant benefits for Wales including nurturing the future academic community and supporting innovation. Wales awards 4% of UK postgraduate research qualifications, compared to 5.5% of first degree qualifications. Evidence demonstrates that those educated to doctoral level are more likely to possess the skills and aptitudes that will allow them to recognise and exploit business opportunities successfully and become entrepreneurs.

***We recommend:***

***accelerating the consolidation and capacity building needed to enhance Wales's Research Performance***

***a programme to make Wales a destination of choice for postgraduate researchers and greatly increase the postgraduate community***

***investment in research which builds on Wales's existing strengths or which addresses the agreed strategic priorities, in particular the science base***

- 35 Knowledge Exploitation – Wales appears to perform credibly when compared to the rest of the UK on measures for exploiting research and transferring knowledge to business (see Annex 2 paragraph 18). Wales has steadily increased its market share of non-Research Council income from 3.7% of the UK total in 2001/02 to 4.3% in 2006/7. However, as indicated above, the research base in Wales that underpins this activity is insufficiently developed and, coupled with this, the economic challenge that Wales faces compared to other parts of the UK is significant (the European Innovation Scoreboard, developed under the Lisbon Strategy suggests that the innovation performance of Wales is 10<sup>th</sup> out of the 12 UK regions).
- 36 There is clearly considerable scope for expanding the economic development role of HE in Wales and a necessity to do so if the economic development aims of the Assembly Government are to be met. Integration of business and employer needs within the core business of HEIs will be crucial to this role for HE and was an issue raised by business representatives in the focus groups held for this review. This includes greater mutual awareness, better communication on business need and HE offer, and HEIs being able to engage with businesses in ways that deliver benefits to both sides.

***We recommend:***

***strengthened business-HE relations which inform demand and strengthen supply of applied research and development, as well as training***

***HE institutions enhance their role as leaders of regional economic regeneration***

- 37 Wales's Higher Skills Needs – As has been highlighted in recent years, the UK lags behind many of the leading Organisation for Economic Co-operation and Development (OECD) Finance Payments Enquiries nations on skills and this gap is projected to widen unless significant action is taken over the coming years. 27% of the population of Wales of working age were qualified to CQFW skills level 4 or above in 2007. This is an increase of 1 percentage point over the 2 years since 2005<sup>4</sup>. This level is in line with the milestone target set for Wales in the 2006 Education strategy "*Learning Country 2: Vision into action*". The same strategy had a target of the percentage of adults of working age with a qualification equivalent to level 4 or above to reach 30% by 2010. If achieved, this would take higher level skills in Wales to a level already reached in the UK as a whole in 2007.
- 38 Therefore, while there has been improvement over time, other countries of the UK have also demonstrated improving skill levels, and Wales still lags behind the UK average. There is some evidence of a narrowing of the skills gap with other countries, but this is not significant enough to suggest that parity will be reached for several years. The proportion of adults qualified to at least level 4 in Wales is marginally greater than in Northern Ireland, but lower than Scotland, England and the UK as a whole.
- 39 We noted several initiatives to address skill levels, but Wales must address the higher level skills gap strategically and imaginatively, paying attention to the specific needs of the country, including those already of working age, if it is to match and move ahead of the rest of the UK and other countries. The importance of this point has been stressed at a UK level (by the UK Commission for Employment and Skills) and in Wales (by the Wales Employment and Skills Board).
- 40 We did note a degree of confusion at a UK level in precisely the type and level of skills we seek. We noted the Leitch review's target of 40% to be qualified to a minimum NVQ level 4 or equivalent. Our concern is that overall increases in qualification rates using this catch-all measure, may mask insufficient progress at a more specific qualification levels (eg HND and Foundation Degree at levels 4 and 5, honours degree at level 6, Masters at level 7 or PhD at level 8). More important, it may mask issues in particular vital subject areas: the sciences, mathematics, and engineering for example. We believe future monitoring should enable

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<sup>4</sup> Source: Annual Population Survey, 2007



clearer expression of skills by level, to guide future policy more effectively.

- 41 Nevertheless, we recognise that there is much still to do to raise our skills levels, and quickly. On the current method of measurement, the proportion of adults qualified to level 4 in the UK is currently only 30%, compared to over 40% in the USA and Canada. However, the problem is even more stark in Wales with 27% qualified to CQFW level 4 or above. However statistics are compiled, Wales stands at the lower end of comparative tables. The proportion of the population with higher level skills in Wales needs to rise further and faster than elsewhere in the UK, if we are to overcome this disadvantage.
- 42 Whilst there have clearly been significant improvements to higher skill levels in Wales since 2001 (with levels in Wales now equivalent to many English regions including the north-west, north-east, east and west midlands), we have been concerned to discover that progress has slowed in recent years, at the very time that high level skills are receiving more attention in the UK and internationally than ever before.

***We recommend:***

***steps to develop better mutual awareness and communication between business and higher education, and effective and timely programme delivery***

***sharpened strategic focus on different levels of high level skills (CQFW levels 4-5/6/7-8) which recognises the distinct benefit of, and need for different skill levels, including the role of Foundation Degrees, and of graduate and postgraduate qualifications***

***maintain research into future employment markets to inform policy and skills priorities (including articulation with the Sector Skills Councils)***

***HE-FE-employer partnerships to design and deliver programmes linked to agreed priority subject areas, including science, technology, engineering and mathematics (STEM) subject areas.***

***significant staff development for high quality teaching, learning and assessment aligned to the needs of people in employment and those wishing to become active in the labour market, including workplace delivery***

- 43 Employability was raised throughout the review. The record of employment of Welsh graduates is good but it remains a challenge to ensure that graduate leavers are well prepared for the world of work. There were clear messages from employers and employer representatives. Technically, qualifying students are proficient at the specific skills they have learned, but the most employable are those who excel in generic skills:

- Confident thinkers, able to understand concepts quickly, think laterally and challenge assumptions
  - Creative thinkers and doers, eager to learn and be challenged, and initiate and manage creative processes.
  - Communicators, able to work well with a range of different people and form different types of relationship
  - Leaders, able to instil confidence in others and get the best out of others
  - Change agents, not only able to adapt to change but to help others adapt to change
- 44 HE in Wales will prepare graduates for the unknown in terms of the rapidly changing scene for employment. This will include the promotion of Problem Based Learning and Action Research, including the use of imaginative and flexible assessment which is appropriate to learning outcomes embraced by stakeholders.
- 45 We heard from students as part of the review and there was a prevailing message of their awareness of having to be “marketable” in a mass market of graduates seeking employment. There was praise from them for the opportunities they have while in higher education for pursuing extra curricular interests and activities, which help build and develop employability. However, there was concern at the pressure they felt under to think of employment opportunities when they were still discovering themselves, their strengths and their preferences. We need to look at how to strike the balance between helping participants in higher education achieve personal, academic and social fulfilment, while also ensuring that they are ready to take on the challenge of the 21<sup>st</sup> century workplace. This goes to the core of the curriculum, to its content, and to the nature and quality of delivery and of the student experience.

***We recommend:***

***action to improve graduate employability, through stronger demonstration of essential generic skills***

***encouraging universities to define graduate attributes in partnership with the Higher Education Academy (HEA) and Association of Graduate Careers Advisory Services (AGCAS)***

***promoting more actively work placements throughout undergraduate programmes***

***building on the success of GO Wales***

- 46 Student Experience – students are at the heart of higher education and their experience has to be a central concern. Wales appears to more than meet UK standards according to the National Student Survey of

student satisfaction. In the 2008 survey 83% of final year undergraduates expressed overall satisfaction with their courses, compared to 82% in England and some institutions in Wales had outstandingly high satisfaction rates. However, from our discussions with students it is clear that there are a number of areas where the student experience needs improving across the board. We noted:

- the importance to students of experiences gained outside their academic studies whilst at university and a sense of frustration among some students that institutions were concentrating too heavily on preparing them for jobs, without sufficient attention being paid to the wider learning and student experience;
- the idea that smaller institutions can provide a more personal experience to students;
- the impact of “hidden” course costs; it was felt that students were not given sufficient information about the costs that they would incur over and above their standard course fees and were generally given little help in meeting such costs
- the need for appropriate and fit-for-purpose infrastructure and facilities, and rejection of new facilities which look good but do not function well or are not designed with students in mind;
- the need to do more to reduce drop-out rates and promote student retention;
- the difficulty in making the student voice heard (students felt that their voice was not listened to, even when put through official feedback mechanisms)
- inequalities between the experiences of full-time and part-time students.

- 47 Quality of experience is tied to many things, from investment in the infrastructure in order to meet the growing expectations of students, to a defining concern with teaching and learning support. This must focus on the student experience through raising and guaranteeing quality, and in so doing delight rather than satisfy our stakeholders. Teaching and Learning of the highest quality, meeting exacting Quality Assurance standards, must be protected and enhanced. Expectations of students (and staff) regarding the best environment and manner in which to teach, learn and study are continually rising, raising serious questions about the adequacy of current levels of investment in infrastructure, facilities and the skills of providers given that HE institutions in Wales have to operate to an international standard and have to compete globally. Students have an active contribution to make to maintaining a high quality learning and developmental environment

***We recommend:***

***encouragement of a national educational development community, drawing on Initial Teacher Education (ITE) and eLearning expertise as well as taking full advantage of Joint Information Systems***

***Committee(JISC), HEA and good practice emanating from universities, schools and colleges***

***action to recognise more explicitly the role of students as active and influential participants in higher education and the development of higher education policy priorities, contributing to the improvement of the whole learning environment***

- 48 The cultural and civic impact of HE – Universities form a key part of the cultural landscape and are major providers of cultural services and leadership. But it was clear to the group that in Wales, as elsewhere, the role of HE has been viewed increasingly in economic terms over recent years. This is not surprising given the significant economic benefits that HE can deliver and given the need to justify the scale of investment that now underpins the mass higher education systems of modern societies. But the group was very clear that a key purpose, and part of the power, of HE is to foster an environment of academic freedom internally and reflection, challenge and debate beyond HEIs themselves and to develop cultural and civic values such as tolerance and social cohesion, in order to have a wider and positive influence on social and political development, and cultural and creative expression.

***We recommend:***

***HE institutions promote engagement, civic participation, and a culture of constructive challenge***

***strengthening the HE profile and presence in Welsh cultural expression and development***

- 49 HE as an International Ambassador for Wales – Unlike most other public services, higher education operates on a global scale. A significant proportion of students in our HEIs come from outside of the UK, whilst academics collaborate regularly with other universities, industry and public sector organisations internationally, often on major and high profile projects and partnerships. As such, Wales's HEIs play an important role in helping to build the profile and reputation of the country. Whilst there is considerable international activity in the Welsh HE sector it must be acknowledged that the profile of Wales in an international context is relatively small (which is understandable given the size of the country and its relatively new devolved status). The development of our HE system and a increased emphasis on the importance of international links provide a major opportunity for Wales to increase its presence on the world scene and to attract highly skilled people, as well as private investment, to Wales, for the benefit of our society.

***We recommend:***

***the production of a strategy for supporting and building Wales' international higher education presence and future aspirations***

***promotion of international links and partnerships through collaborative programmes of research, and student and staff recruitment and exchanges***

***the global links and reach of higher education to be better integrated into business and government international initiatives***

## SUMMARY OF OUR RECOMMENDATIONS

50 In summary we recommend that the following priorities should form the basis of specific targeted action in a refreshed HE strategy for Wales:

Purpose	Aspiration for Wales	Recommendations for action
To create the environment to challenge and support individuals to achieve the highest levels of educational, intellectual, and personal fulfilment, no matter where they come from	<p>Teaching and learning quality is recognised internationally as being of the highest level</p> <p>All those able to benefit from higher education can do so</p> <p>Access to the widest possible Welsh medium provision is available to all those who wish to take advantage of it</p>	<p>Articulate the role of higher education more clearly and appropriately to a range of audiences in Wales: individuals, businesses, communities</p> <p>A reconsideration of the range of programmes at all ages and levels promoting learning and skills, with a view to consolidation under a smaller range of key themes</p> <p>A refreshed all-age National Access Strategy to target areas of low participation and build support arrangements</p> <p>A consolidation of the various strands of support and funding for widening access into a smaller number of higher impact priorities</p> <p>A programme to achieve higher retention and completion of students through personal and study support, including financial literacy and career advice</p> <p>A clear and transparent framework for means-tested student bursaries which more clearly reflects learner need and national ambitions, complemented by the use of scholarships to address competitive recruitment needs</p> <p>HE becomes an integral and central component of the Transformation Policy to ensure increased participation, greater collaboration and more coherently planned provision of learning</p> <p>The Coleg Ffederal development is viewed in the context of the refreshed national HE access strategy and the recommendations on compact and delivery framework made in this report.</p> <p>Part-time learning is supported and monitored in ways which recognise its current and future significance to fulfilling aspiration, inclusion and workforce development. This includes maintenance of the current support arrangements introduced following the Graham review.</p>

<b>Purpose</b>	<b>Aspiration for Wales</b>	<b>Recommendations for action</b>
To foster research and exploration which adds to the sum total of human knowledge, irrespective of whether the intellectual discovery has a direct or immediate application.	Wales is recognised internationally for its research excellence, attracting the best researchers and creating a thriving research community which in turn nurtures future academic strength	<p>Accelerate the consolidation and capacity building needed to enhance Wales's Research Performance</p> <p>A programme to make Wales a destination of choice for postgraduate researchers and greatly increase the postgraduate community</p> <p>Invest in research which builds on Wales's existing strengths or which addresses the agreed strategic priorities, in particular the science base</p>

<b>Purpose</b>	<b>Aspiration for Wales</b>	<b>Recommendations for action</b>
To exploit knowledge and expertise in order to drive sustainable economic growth and wealth creation	Innovation and productivity, through the exploitation and commercialisation of research and development, transforms Welsh economic performance	<p>Strengthened business-HE relations which inform demand and strengthen supply of applied research and development as well as training</p> <p>HE institutions enhance their role as leaders of regional economic regeneration</p>

<b>Purpose</b>	<b>Aspiration for Wales</b>	<b>Recommendations for action</b>
To develop the knowledge, high level skills and understanding of individuals in order to drive an adaptable, sustainable and innovative economy	Economic success is enhanced by high skills, through programmes designed and delivered in collaboration with employers, and targeting areas of agreed strategic need	<p>Steps to develop better mutual awareness and communication between business and higher education, and effective and timely programme delivery</p> <p>Sharpened strategic focus on different levels of high level skills (CQFW levels 4-5/6/7-8) which recognises the distinct benefit of, and need for different skill levels, including the role of Foundation Degrees, and of graduate and postgraduate qualifications</p> <p>Maintain research into future employment markets to inform policy and skills priorities (including articulation with the Sector Skills Councils)</p> <p>HE-FE-employer partnerships to design and deliver programmes linked to agreed priority subject areas, including science, technology, engineering and mathematics subject areas.</p> <p>Significant staff development for high quality teaching, learning and assessment aligned to the needs of people in employment and those wishing to become active in the labour market, including workplace delivery</p>

		<p>Improve graduate employability, through stronger demonstration of essential generic skills</p> <p>Encourage universities to define graduate attributes in partnership with HEA and AGCAS</p> <p>Promote more actively work placements throughout undergraduate programmes</p> <p>Build on the success of GO Wales</p> <p>Encouragement of a national educational development community, drawing on Initial Teacher Education (ITE) and eLearning expertise as well as taking full advantage of the Joint Information Systems Committee(JISC), HEA and good practice emanating from universities, schools and colleges</p>
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<b>Purpose</b>	<b>Aspiration for Wales</b>	<b>Recommendations for action</b>
To help nurture a democratic, civilised and inclusive society recognising distinct cultural identities	Higher education helps create an intellectually ambitious, articulate “critical culture” in Wales, which encourages individuals and communities to contribute actively to the civic, cultural and democratic life of the nation and internationally.	<p>Action to recognise more explicitly the role of students as active and influential participants in higher education and the development of higher education policy priorities, contributing to the improvement of the whole learning environment</p> <p>HE institutions promote engagement, civic participation, and a culture of constructive challenge</p> <p>Strengthening the HE profile and presence in Welsh cultural expression and development</p>

<b>Purpose</b>	<b>Aspiration for Wales</b>	<b>Recommendations for action</b>
To play a lead role in ensuring that Wales is recognised as a valued contributor to the global community	The quality of its higher education makes Wales a destination of choice for international learners and researchers, and business, and establishes Wales as a full member of the international community.	<p>The production of a strategy for supporting and building Wales’ international higher education presence and future aspirations</p> <p>Promotion of international links and partnerships through collaborative programmes of research, and student and staff recruitment and exchanges</p> <p>The global links and reach of higher education to be better integrated into business and government international initiatives</p>



Accountability	Aspiration for Wales	Recommendations for action
To make effective and efficient use of resources and demonstrate high-quality governance and leadership practice.	The higher education sector is recognised internationally for the quality of its governance and leadership arrangements and for the high return on resources that it delivers.	The forthcoming Governance Review of HEFCW to take account of the recommendations arising from the report regarding strategic leadership and partnership.

51 Having identified key issues and priority areas we considered that efforts to address them in Wales turn on three fundamental challenges.

Addressing these challenges is critical:

- The strategic leadership of higher education in Wales. The relationship between government and higher education institutions, and between higher education institutions and their stakeholders and partners needs to be transformed: HE institutions are, legally, autonomous corporations but public funding forms a significant, if declining, proportion of their income. The need to find the right balance between autonomy and accountability is a source of tension amongst those responsible for supporting and delivering HE in Wales. We noted that the relationship between governmental expectations of the sector and the sector's sense of its entitlement, indeed responsibility, to act autonomously creates a tension which needs to be addressed.
- Configuration of provision: it was clear to the group that the geographical and organisational configuration of HE provision in Wales is not best fitted to achieving the type of benefits we seek for Wales whether in teaching or research. We were repeatedly told that no one today would design a system looking like the one we have. This structural issue has a significant and wide-reaching impact on the performance of HE across a range of activities, and on the opportunities for people to access high quality higher education. There is a responsibility for each HE institution, working with partners in the HE sector and other sectors to address these issues with renewed urgency.
- Investment: this was a recurrent theme throughout the review, and is a source of concern, tension and dispute which is dominating the current and future planning of higher education. The group warmly welcomed the announcements made by the Welsh Assembly Government following Phase One of this review regarding funding from 2014-15. This is an important step forward in current economic circumstances. But if the level of competitiveness of the sector which Wales requires is to be secured we must address not only the efficiency with which funds are deployed but also the total volume of investment in the sector. Comparison of the 2009-10 funding assigned to HE between the different parts of the UK is not reassuring in this regard.

- 52 In light of the issues above the group was convinced that maintaining the status quo cannot be an option. We believe that addressing these three fundamental issues first and foremost will lay the foundations for a sustained transformation of the others. The rest of this Report attempts to consider each in turn – strategic direction and leadership; configuration; investment - and to offer a challenging response to each.

## SECTION 4: TACKLING THE CHALLENGES TOGETHER

### Building relationships to strengthen HE in Wales

- 53 In Wales, as in the rest of the UK, HE institutions sit neither wholly in the public sector nor in the private sector; they depend significantly on public funding but are constitutionally established to operate as private bodies. As a Group we unanimously endorse this existing broad constitutional arrangement for higher education in Wales, which provides autonomy to institutions, but also entails accountability for public funds, delivered through an Assembly Government Sponsored Body (HEFCW).
- 54 The most successful higher education systems in the world (e.g. in the USA, the UK and Australia) have been those which have followed this model wherein the HEIs operate independently of government and both nurture and protect academic freedom, but must show clear accountability for the public funding that they receive. These countries have seen the greatest wealth creation by their HE sectors, the greatest level of innovation as regards both teaching and research, the highest global profile and the fastest growth in participation.
- 55 The overriding advantage of such a system is that it permits higher education institutions to make their own decisions over staffing, curriculum and mission and thus become the seedbeds of intellectual curiosity, scientific inquiry, debate and challenge that can bring out the best not only in staff and students but also in society as a whole.
- 56 Nevertheless this successful and internationally admired model, widely regarded as a foundation stone of liberal, democratic societies, can also present a considerable challenge for governments which are accountable to their citizens for public funding. The challenge for governments is how best to ensure that the public funding which they commit to HE is used efficiently and for purposes which, in terms of visible and appropriate benefits, justify the allocation of public funds. For HEIs the challenge is how best to demonstrate accountability, not only to government, but to the many other providers of funding which they can access and to other stakeholders. This situation is further complicated in Wales by the fact that while HE is a devolved matter Research Council and Science Base funding remains a United Kingdom Government responsibility.
- 57 There must be alignment of purpose and mutual trust between a government and its HE sector, a unity of focus on priorities and a transparency of operation that is beyond dispute, for the benefit of those who use and participate in higher education and for governments who invest considerable sums in their HE systems. It is also clear that the relationship must endure for the long term. Great higher education systems and institutions cannot be created overnight. Long term mission, leadership, investment and sustained performance are

essential for a virtuous circle of achievement and reputation to be established.

58 We do not yet see this in Wales. We sensed frustration among partners. All sides want higher education to deliver greater benefits for Wales. However:

- the Assembly Government wishes to see clearer evidence of higher education delivering results for Wales in response to its investment, in line with its strategic outcomes, especially in key strategic areas such as the growth of world-leading research and its exploitation, participation in Science, Technology, Engineering and Mathematics (STEM) subjects, delivery through the medium of Welsh and widening access;
- some HE institutions are wary of the pursuit of institutional mergers and configuration which appear to them to reflect political will rather than educational goals, and all HEIs fear a diminution in their effectiveness and competitiveness because of their ongoing concerns that they are underfunded relative to the rest of the UK;
- channels for interaction between government and HE have also become blurred: while HEFCW has overall responsibility for the core funding and monitoring of higher education, individual institutions also have direct project and strategic relations with different officials, departments and Ministers within the Assembly Government;
- higher education in Wales must not be on the margins but must be central to mainstream educational policy which is often viewed in terms of younger learners, at a time when the needs of older learners arguably require as much if not more support ; and
- the need for the Assembly Government together with HEFCW to provide strategic leadership and policy direction for higher education in Wales has never been greater. It must build on its strengths and capacity for developing, communicating and delivering the strategies, policies and change needed to drive up the profile and performance of higher education in Wales and ensure it can play a central part in responding to the skills, economic and educational needs of the nation.

59 Such views confirm the extent to which higher education touches many different aspects of public life in Wales. However, the relationship and understanding between HE and government in Wales must be deeper, more mature and better focused if HE is to fulfil its potential in responding to the needs and aspirations of Wales. All parties must be clear on each other's roles and responsibilities, and pull willingly in the same direction for the benefit of Wales. This is now more than ever an imperative as expectations and international competition in higher

education become ever more intense. Without a sharpening of the strategic relationship we fear drift and relative decline..

## A New Approach

- 60 We therefore believe that Wales needs unambiguously to redefine the relationships that govern the direction and management of its higher education system. A clear statement of common purpose, backed up by a clarification of roles, responsibilities and expectations is needed. **This should form the basis of a National Compact between higher education institutions, other providers of HE, HEFCW and the Assembly Government.** We do not envisage this compact to be a new organisation or body but rather an enduring commitment from all parties, and a framework for a new working relationship, using the existing mechanisms more effectively. This commitment will be expressed and measured through agreement to, clear statements on, and adherence to:
- roles and responsibilities regarding higher education of the Assembly Government, of HEFCW, the HE institutions and their partners/potential partners;
  - what each partner should expect from the other partners;
  - behaviours and principles which each partner should display, including:
    - demonstrating “global awareness but local responsiveness” to policy priorities;
    - a “Wales first” approach to joint decisions on major strategic developments such as merger, collaboration, and co-operation;
    - transparency, trust and mutual respect.
- 61 This Compact should reconfirm the direction and delivery of higher education in a transparent way. All parties should cooperate in setting out what the compact should deliver for Wales including:
- agreement to the purpose of higher education (we suggest the purpose statements in paragraph 4 form the basis of this)
  - the contribution higher education should make to the Assembly Government’s strategic priorities for Wales;
  - governance and management of policy and delivery which instils mutual confidence and assurance;
  - a commitment to investment, its effective deployment, and what it is to deliver;
  - a pattern of regular informal and formal dialogue between all parties which underpins mutual trust, purpose and confidence.
- 62 Such a framework will transform the confidence and operation of HE in Wales and the benefits that HE provides to Wales.

- 63 It is anticipated that the delivery of the National Compact will focus initially on the priorities identified by this report, set out in the table in paragraph 50. As part of its work the Review Group adopted detailed policy recommendations regarding these benefits. These will be made available to inform and guide the discussions.

### **Striking a Balance**

- 64 The national compact for HE that we propose will set the tone for the relationships that will guide HE for years to come. We anticipate that bringing all partners together will create a team Wales approach to excellence in higher education, which Wales, as a small country is uniquely placed to exploit to the full. With a sense of unity between all partners we believe that HE in Wales will finally be able to maximise its potential, providing a host of economic and social benefits for Wales and the wider world.

### **The underlying issues: configuration and investment**

- 65 At paragraph 51 above we identified three critical issues. The first of these, that of the strategic leadership of HE in Wales, and the issues that it raises for the relationship between the Assembly Government, HEFCW and the sector, have been addressed above. The other two critical issues, namely the configuration of HE in Wales and the investment required to ensure meeting Wales's needs and aspirations are discussed in more detail in the next section.

## SECTION 5: ORGANISING HIGHER EDUCATION FOR THE FUTURE

### A new approach to addressing the sector's capacity to deliver

- 66 Many of the stakeholders who wrote or gave presentations to the Task and Finish Group expressed the view that the sector could improve its performance through greater collaboration and new ways of organising provision. We agree with these conclusions and now propose a new approach to maximise the potential of HE provision in Wales.
- 67 We make the following observations informed by the belief that there are opportunities to create critical mass, to rationalise provision where appropriate and to share rather than duplicate resources. We noted that:
- institutions in Wales are generally smaller than those in the rest of the UK ;
  - Wales has more HE institutions per head of population than other countries in the UK;
  - while there is in Wales, as a whole, a geographical spread of higher education provision, this is not evenly spread nor necessarily mapped onto populations. This has important implications for local access to higher education, and for workforce development;
  - there appear to be opportunities for rationalising provision in some areas;
  - critical mass is crucial to research performance, especially in Science, and there is a lack of critical mass in many research units in Wales and a weakness in the size and depth of the overall science base;
  - administration costs at Welsh HEIs appear to be about average for the UK and are broadly rising in line with UK averages (but even so we felt there could be leaner and more efficient administration);
  - the financial Health of most HEIs in Wales has improved over the last few years. However HEFCW and the HE sector continue to be concerned that the scale of surpluses is insufficient for the levels of investment needed to ensure long term sustainability and competitiveness
  - the Reconfiguration and Collaboration Fund is the only significant tool available for structural change in the HE sector at present. It has been deployed to support two successful HE-HE mergers and one HE-FE merger so far with a further HE-HE merger under active consideration as this report was being written, plus a number of other collaborations including research and back-office collaboration. Some mergers and reconfigurations deemed appropriate by HEFCW and the Assembly Government have, however, failed to be successfully concluded for a variety of reasons

## Reconfiguration and collaboration

- 68 In 2002, *Reaching Higher* stated that “reconfiguration and collaboration must be at the heart of the strategy for HE in Wales” and that “the outcomes that we seek for HE cannot be achieved without a radical drive towards collaboration and re-shaping structures in the sector”, a message that permeated the whole document.
- 69 In essence *Reaching Higher*’s key message was that Welsh HEIs did not possess the scale or scope to compete with institutions elsewhere in the UK (and beyond) in relation to leveraging money from external sources (e.g. the Research Councils) or in their capacity to take risks and innovate. The document therefore advocated closer collaboration and reconfiguration between HEIs in Wales. This policy has been maintained since then, supported by significant project funding.
- 70 While this has been pivotal to HE strategy in recent years, we were concerned that it had taken on something like the form of a “mantra”. The underlying assumption has been that reconfiguration can bring cost savings through economies of scale and provide benefits through creating institutions of greater critical mass. While there remains a compelling logic in the need to reconfigure, including merger, cost savings, scale economies and greater critical mass are benefits that could potentially also be achieved through greater systemic integration between providers, through activities such as shared services and joint strategic planning between those in the sector. There should also be benefits in greater collaboration with other public sector bodies such as Local Authorities, Health Boards etc. and with the private sector.
- 71 *Reaching Higher* also intended that “higher education in Wales be defined less by institutions than by networks of excellence”. Although such networks can emerge and evolve naturally, the concept of a “university”, and a physical rather than a virtual university still has a strong and widespread resonance. The notion of “my university” has a powerful appeal for those who belong to it, staff, students and alumni, and is often an effective tool for fundraising and investment. It also carries strong emotional attachment for local communities and regions and can help give identity and pride to towns and cities. Internationally, the brand of an individual institution carries far more weight, and is more likely to capture attention, as a tangible entity, than the relatively loose concept of a “network”. Finally, it must be recognised that HEIs are real, often historic, autonomous institutions who employ staff, enrol students and carry all the legal obligations of so doing.
- 72 In addition, collaboration between HEIs and academic communities is increasingly borderless, and can lead to highly valuable innovation, development of expertise, and wealth creation. Such networks are as important, if not more so, as those which take place on an intra Wales basis.



- 73 We felt that a smarter approach to the challenges facing HE must be developed, driven by the strategic benefits we seek in the form of outputs. Form should follow function, not be an end in itself. So, in our view, there is a need to articulate more clearly the strategic outcomes which lie behind the desire to see further merger and reconfiguration and then through the Compact process to work with the HE sector to respond to these outcomes.
- 74 This approach requires a clear statement of the outputs and high level outcomes the Government seeks from higher education in relation to wider Assembly Government strategic priorities such as the transformation of the Welsh economy and society, access and participation and skills agendas.
- 75 Without such articulation, the case for reconfiguration relies too heavily on financial factors, or assumptions about benefits accruing from general capacity increase. Experience in and beyond Wales points to outcomes being most effective where there is a strongly articulated strategic case and set of objectives.
- 76 This approach recognises reconfiguration as one powerful means of helping the HE sector to deliver the benefits sought for Wales, but it recognises, equally that this alone is unlikely to deliver benefits for higher education capacity and quality. There are other key levers:
- effective, energetic and far-seeing institutional management, and leadership,
  - governance which offers constructive and robust challenge and which represents the breadth of key stakeholders;
  - sufficient resources to enable sustained effectiveness;
  - knowledge and consensus about needs and demands of learners and business;
  - the ability to respond effectively to changing needs and demands;
  - timely recognition and support regarding opportunities for growth and development;
  - a strategic focus which enables sustained recruitment and effective delivery;
  - opportunities for greater systemic collaboration particularly in terms of shared services, joint strategic planning and learner/student services;
  - genuine research collaboration across Welsh institutions
  - collaboration with other public and private sector bodies
  - fully embracing the internationalisation agenda.
- 77 We believe that the emphasis now needs to be on outcomes and efficient delivery not on reconfiguration as an end in itself. What is needed is a step change in performance and structural change should be encouraged and energetically pursued by all parties where it clearly leads to such an improvement.

## **Addressing the challenges in Wales**

- 78 In the light of the above it is important to state that the evidence and comments that we reviewed indicate that there remains a compelling case for creating and consolidating critical mass, particularly in research and in wider reconfiguration, including merger, where clear outcomes can be identified and achieved.
- 79 But in order to achieve the desired stepchange in performance that we all desire we believe that there is, in addition to any reconfiguration, a great opportunity for Wales to go further and to adopt a new and innovative approach that will galvanize all the partners in Wales to work together and help to fulfil the potential of HE.

## **A New Framework for HE in Wales**

- 80 We propose the creation of a new framework for HE in Wales - an HE system which is widely accessible but at the same time globally competitive; which excels at the delivery of higher level learning, and graduate employability and at the performance and exploitation of research. At its heart there will be strong HE institutions each with a clearly defined mission and of adequate scale to innovate, take risks and deliver that mission effectively.
- 81 These institutions will collaborate within and beyond Wales with other HEIs. But within Wales they will also lead partnerships with Further Education Colleges and other partners (see below). Partnerships with the further education sector play an important role in this framework, a role which strengthens, not dilutes, the distinct purpose and mission of the FE sector. Working together they will ensure effective distribution of higher education to all parts of Wales, and make possible access to higher education for all those able to benefit. This community of partners will link closely with the current and future learning and skills needs of the workforce in Wales, and work as a community with employers to identify optimal access and delivery opportunities and opportunities for research and its exploitation and commercialisation.

### **i) a consolidated but diverse cohort of stronger but sustainable HEIs**

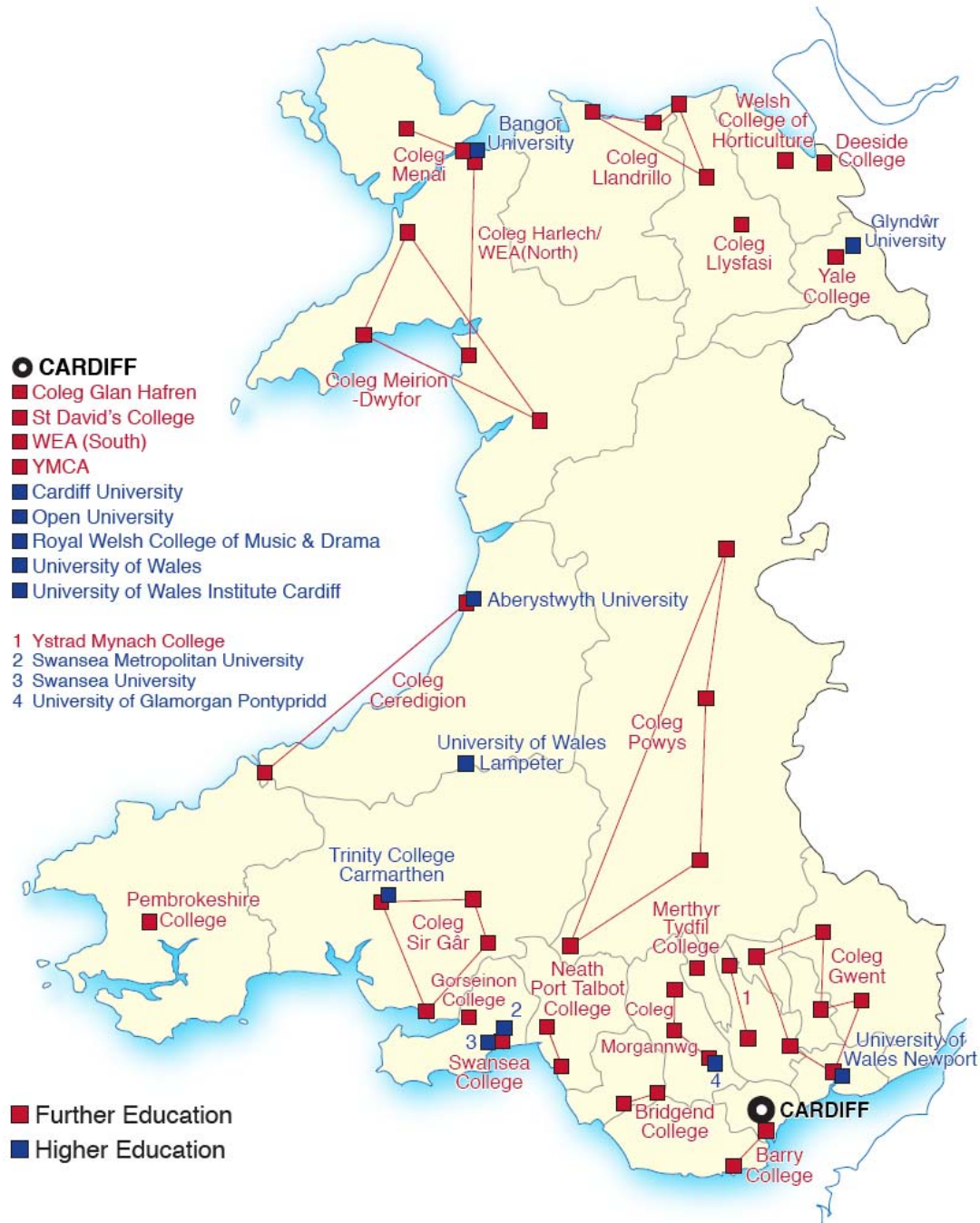
- 82 In the future it is likely that there will be fewer HEIs than at present, but the geographical distribution of higher education will be broader. This would include skills sector distribution based on universities with appropriate expertise reaching out to engage with communities, employers and other organisations including the Third Sector.

- 83 An all Wales approach to HE, implementing the national Compact will need to consider the strategic priorities for Wales, and if possible decide where changes need to be made.
- 84 These deliberations will help determine how outcomes required can best be delivered, and help identify new priorities. These should form the strategic basis for determining whether, where and how higher education is delivered. Sensitive issues such as reconfiguration need to be discussed and determined with transparency and clearly understood outcomes identified.
- 85 Criteria for supporting collaboration should be broadened, and recognise the benefits to Wales of embedding links outside the HE sector and outside Wales. These criteria need also to be reflected in the financial incentives offered to encourage collaboration and merger.
- 86 We believe that this framework, given adequate investment (see below) will create the basis for an internationally competitive and locally responsive higher education system in Wales. At the heart of this system there will be competitive, confident institutions recruiting strongly from Wales, the rest of the UK, Europe, and internationally.

#### **ii) A reformed role for HE-FE partnerships**

- 87 There are many current partnerships operating between HEIs, FEIs (Further Education Institutions) and employers. FEIs have a long history of being involved in the delivery of qualifications such as HNDs and, more recently, Foundation Degrees – and some HEIs are also funded by the Assembly Government to deliver adult vocational qualifications most commonly associated with FEIs.
- 88 Under current legislative arrangements, any partnership between HEIs, FEIs and employers involving higher education delivery has to involve the award of the qualification by the HE partner. Legislative steps being taken by the Assembly Government will in future offer the option to FEIs to seek powers through the Quality Assurance Agency (QAA) and Privy Council to award Foundation Degrees.

## Further & Higher Education in Wales



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- 89 In future we see FEIs continuing to be involved in the delivery of higher education provision through a partnership in which the degree is awarded by an HEI – and we assume that some FEIs will seek to obtain Foundation Degree awarding powers. Under either scenario, we see the

role of FEIs in the delivery of higher education as being best directed towards the securing of

- improved local access to higher level learning and skills, in particular where FEIs:
  - are geographically closer to populations, communities and businesses;
  - have already established strong relationships with businesses;
  - already have demonstrable strengths in areas of provision
  - are already partnering HEIs through the transformation agenda .
- seamless progression pathways to higher learning opportunities where this is possible through HE-FE partnerships, or, where appropriate, with other HEIs;
- more opportunities for part time and work based higher education where for personal or location reasons it might not be possible to study directly with an HEI.

- 90 We recommend that delivery and awarding of Foundation Degrees should be by whoever is best placed to offer the appropriate level, nature and quality of provision. This allows for local determination and agreement between relevant parties, as well as regional employment sector agreements carried out within the overall context of the National Compact and driven by agreed national priorities. The focus should be on collaborative building of strength and capacity, and on enabling all partners to build on and exploit their appropriate strengths and specialisms while at the same time avoiding costly and needless competition. This should decrease the risk of mission drift among all partners.
- 91 We recognise that many such partnerships already operate successfully in Wales. This recommendation represents a truly national strategic framework for advancing individuals in Wales to the highest level of achievement, within a coherent teaching, learning and research framework. It goes without saying the teaching and learning provision will continue to need to meet the most exacting Quality Assurance standards.
- 92 This approach is consistent with the Assembly Government's strategy for Transformation of post-16 provision in Wales, and the 14-19 Learning Pathways for younger people. We believe that the Transformation strategy can be applied seamlessly to the highest levels of learning. The higher education sector has an enormous amount to offer in this regard and institutions will need to work as partners in the Transformation strategy if Wales is to achieve the One Wales vision of "a society where learning throughout life is the norm".

## SECTION 6: INVESTMENT AND RESOURCES

- 93 The proposed new framework for HE in Wales addresses the issue of efficiency of delivery and the use of resources to maximum effect. It leaves to be addressed the level of investment and its adequacy if Wales is to remain competitive in the UK and global context. The level of public funding higher education in Wales receives has been the single biggest concern expressed to us, even given the announcements made following Phase One of the Review which the group warmly welcomed..
- 94 We feel that we need to spell out with some care why this level of concern exists. This is not simply a case of another public service seeking ever greater levels of funding. Investment in higher education brings a clear return both in the short and the long term. Universities and HEIs must be competitive if they are to survive. To take one example: International students are critical to the success of universities in Wales as much as in the rest of the UK. They create a genuine international experience for all students but they also bring a real return on investment – they contribute £200 million to the Welsh economy each year. Yet each one of the 12,000 international students could have chosen to go anywhere else in the world. Welsh Higher Education institutions need to be globally competitive and demonstrate enterprise and dedication in marketing and recruiting globally.
- 95 HEIs themselves must see the public funding they receive as investment, on which they must demonstrate a visible return, and in this respect we have, we trust, demonstrated our conviction that HEIs in Wales must do more to make the most effective possible use of the investment made in them. But that said there is no avoiding the recognition of the distinctive position of higher education as both recipients of public funding and generators of substantial additional investment from other sources. This means that institutions have to maintain internationally competitive academic reputations, and compete UK wide and internationally for staff, students and investment. Failure to do so will have an impact on the wider reputation and prosperity of Wales because of reduced earnings by HEIs, reduced spending by students and reduced scope for the exploitation of research and the recruitment of world class staff.
- 96 Concerns were very strongly expressed from within the group, and outside, that Wales is beginning to lose the race with HE sectors beyond Wales. Many of those who wrote to us highlighted concerns over funding levels and highlighted the increasing difficulty in competing with English institutions in terms of infrastructure investment and recruitment of staff which, in turn, impact on the student experience. The group found the evidence of the existence of the gap in funding between that received by Welsh institutions compared to English and Scottish HEIs to be compelling even after allowing for the full range of other funding sources available in Wales which can ameliorate the situation.

- 97 In its annual *Funding Gap* reports HEFCW has estimated the England-Wales gap in core provision (that is made through the funding councils) as rising from £12–26m in 2003-04 to £70m in 2005/6 reducing a little to £55-66m in 2006/7, decreasing slightly in 2007-08. The cumulative effect of this shortfall in funding is starting to have a significant and negative effect on the performance and morale of the HE sector in Wales. As a Group, we accept the HEFCW findings. There are many reasons why this funding gap has arisen; the challenge now is to determine how Wales can address it in the present testing circumstances.
- 98 Given this situation we consider the actual performance of the Welsh HE sector to be in some regards, commendable. However, looking ahead, we see a real risk of a vicious circle setting in, of lower investment, lower performance, lower income and lower wealth generation. The impact on Wales as a whole cannot be underestimated. We recommend that all parties in Wales make a commitment, as part of the new compact between the sector and government, to meeting this gap over a period of time and we welcome the commitment that significant funds released from the abolition of the Tuition Fee Grant be used to commence this process.
- 99 In terms of securing confidence, strategic planning, and sustained transformation of higher education performance, long term assurance of the level of public investment that can be expected in higher education is absolutely crucial.
- 100 As a group we were deeply concerned about this issue but were also realistic about the scope for its resolution. Closing the gap may take a number of years and is particularly challenging in light of the current economic climate. However, on this hangs nothing less than the future reputation and prosperity of Wales.

## **SECTION 7: CONCLUSION**

- 101 We believe that how we address these challenges is key to the wealth and well being of Wales, both as Wales emerges from recession and into the long term. On Wales's ability to capitalise on the potential of higher education rests our ability to compete economically, and fulfil our potential as a young devolved country with high ambitions.
- 102 Higher education needs explicitly to be repositioned in our national priorities from now on. It has to become central to the task of creating thriving and enquiring communities in a prosperous and culturally alive Wales, and the higher education sector itself must rise to that challenge with imagination and dedication.

## **Annex 1: Engagement with Stakeholders and Partners During Phase 2**

- 1 As a wide-ranging strategic review the group agreed that it was important to engage as fully as possible with stakeholders, and draw information from as wide a range of sources as possible within the time scale permitted for the review. In order to maximise the breadth and impact of engagement, the group used a range of methods including:
  - presentations by stakeholders to the Task and Finish Group;
  - invitations issued by the chair to provide written comments to the group (via the secretariat);
  - focus groups and seminars;
  - secretariat meetings with stakeholders.
- 2 In addition to the above methods, responses to other recent and relevant consultation exercises were analysed to draw out important messages. This included (but was not limited to):
  - *Skills that Work for Wales* consultation
  - Submissions to and transcripts of the National Assembly's Enterprise and Learning Committee *Enquiry into the Economic Contribution of Higher Education in Wales*
  - Science Policy for Wales consultation
- 3 21 written responses were received from the following organisations:

Aberystwyth University  
Cardiff University  
University of Glamorgan  
Glyndwr University  
University of Wales Newport  
Swansea University  
University of Wales Institute Cardiff  
Royal Welsh College of Music and Drama

Fforwm  
Confederation of British Industry (Wales)  
Chairs of Higher Education Wales (CHEW)  
National Union of Students  
Research Councils UK  
Careers Wales  
SEWRW Partners  
SWWPRW Partners  
Universities Association for Lifelong Learning  
University and College Union  
Wales International Consortium  
Wales Employment and Skills Board  
WMWRW Partners



4. In January and February 2009, a series of focus groups was held across Wales, all of which were attended by members of the review group:
  - Two lunchtime focus sessions were held, one in north Wales and one in south Wales, to seek the input from business leaders to the HE Review, these were facilitated by Business in the Community (BITC).
  - An all-day stakeholder event into widening access and part-time higher education was organised by NIACE Dysgu Cymru. Approximately 60 delegates attended, including representatives of FE and HE providers, employers, learner advocates, employer representatives.
  - Three focus sessions were held with students, in Bangor University, Swansea University and the University of Glamorgan. These events were organised by the National Union of Students (NUS).
5. A series of presentations were made by stakeholders to the HE Review Group, by HEFCW, Higher Education Wales (HEW) and Fforwm. A separate meeting was held between the Secretariat and CHEW, which was fed back to the group.
6. Members of the secretariat also held meetings with officials from DIUS and the Scottish Government, to keep abreast of HE review developments in each administration.

## Annex 2: An Overview of Higher Education in Wales Today

- 1 Higher education in Wales is delivered in twelve HE institutions, including the Open University in Wales. The institutions are geographically dispersed with six located in the south along the M4 corridor between Swansea and Newport. One university is located in mid-Wales on the coast, one is in north-west Wales, one in north-east Wales, while two arts and social science institutions are based in south-west Wales. The Open University delivers its provision throughout Wales, primarily by distance learning. An additional 5 FE institutions engage in some directly funded HE delivery, and a higher number deliver HE programmes through collaborative arrangements with Welsh HE institutions.
  
- 2 The HE sector comprises:
  - 1 large pre 1992<sup>5</sup> university which is a member of the Russell Group of research-led institutions (Cardiff University);
  - 3 medium sized pre-1992 research-led universities (Aberystwyth University, Bangor University, Swansea University);
  - 1 large post-1992 university (University of Glamorgan, which now also incorporates the Royal Welsh College of Music and Drama);
  - 4 smaller post-1992 institutions (Glyndŵr University, University of Wales Newport, Swansea Metropolitan University, University of Wales Institute Cardiff);
  - 2 small HEIs focussed more on the arts and social sciences (Trinity University College, University of Wales, Lampeter); (as this Report was being finalised these two institutions agreed to form a new institution, University of Wales: Trinity St. David); and
  - the Open University in Wales.
  
- 3 There is also the University of Wales which has, in the past, been predominantly a degree-awarding body for the majority of students in Wales, as well as for some other institutions in the United Kingdom and overseas. However, this position is changing rapidly as a number of HEIs in Wales have taken steps towards awarding their own degrees and, in the near future, most students in Wales will not be studying for University of Wales degrees.

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<sup>5</sup> *The Further and Higher Education Act 1992 introduced measures to allow many of the former polytechnics and institutes of higher education to become universities.*

**Figure 1: Locations of HE institutions in Wales<sup>6</sup> (showing nearby English HEIs)**



4 The size of institution varies considerably as shown in Figures 2 and 3.

<sup>6</sup> The Royal Welsh College of Music and Drama is a wholly owned subsidiary company of the University of Glamorgan; Students at the Open University in Wales are domiciled across Wales and are studying on a part-time basis by distance learning

**Figure 2: Total enrolments and full time equivalent student numbers (FTEs) at Welsh HEIs (2007/8)<sup>7</sup>**

	Full-time Enrolments	Part-Time Enrolments	Total Enrolments	FTEs
Cardiff University	19,480	7,105	26,585	23,045
University of Glamorgan*	12,815	9,895	22,710	15,590
Swansea University	10,380	3,495	13,875	11,335
Bangor University	8,020	2,495	10,515	8,325
University of Wales Institute, Cardiff	7,870	2,035	9,900	8,330
Aberystwyth University	6,795	3,070	9,865	7,470
University of Wales, Newport	3,785	5,335	9,120	6,055
Swansea Metropolitan University	3,555	2,035	5,595	4,320
Glyndŵr University	2,755	4,505	7,265	4,230
University of Wales, Lampeter	1,475	6,410	7,885	2,750
Open University in Wales	5	7,100	7,105	2,580
Trinity University College	1,285	940	2,225	1,570

\*includes the Royal Welsh College of Music and Drama

**Figure 3: Turnover of HEIs in Wales (£000s, 2007/8)<sup>8</sup>**

Cardiff University	393,545
Swansea University	143,445
University of Glamorgan*	131,301
Bangor University	107,151
Aberystwyth University	95,276
University of Wales Institute, Cardiff	70,597
University of Wales, Newport	42,746
Glyndŵr University	33,969
Swansea Metropolitan University	31,398
University of Wales, Lampeter	15,897
Trinity University College	14,224
University of Wales Registry	10,611
Open University in Wales**	N/A

\* includes the Royal Welsh College of Music and Drama

\*\* Open University in Wales is included within the accounting structures of the UK-wide Open University.

- 5 In 2007/08 132,645 students were enrolled at Welsh HEIs (including the OU), of which 78,220 (58%) were full-time and 54,430 (41%) part-time. Over half of all students were aged 25 or over. Preliminary data for 2007/08 shows an overall fall of 2% in higher education enrolments at

<sup>7</sup> Source: HESA student record

<sup>8</sup> Source: HEFCW

Welsh HEIs compared to 2006/07, with full-time enrolments increasing by 1%, and part-time enrolments falling by 6%.

- 6 Wales is a net importer of UK domiciled full-time higher education students: in 2007/08 19,110 Welsh domiciled students were at UK HEIs outside of Wales, whereas 28,005 students from the UK outside Wales studied in Wales. The proportion of home domiciled students is lower at Welsh HEIs than the rest of the UK. However, since 2001/02 this proportion has increased from 62% to 66%.
- 7 In relation to performance on widening access to HE among non-traditional students, the figures for Wales show the following:<sup>9</sup>
  - 93% of young full-time entrants to first degree programmes in 2006 were from state schools, compared to 88% for the UK.
  - 10% of young full-time entrants and 12.5% of mature full-time entrants to first degree programmes were from low participation neighbourhoods. When young and mature entrants are counted together, Welsh HEIs have the UK's highest proportionate intake to full-time first degree programmes from low participation neighbourhoods.
  - 12 % of young part-time undergraduate entrants and 7% of mature part-time undergraduate entrants came from low participation neighbourhoods. This is similar to the UK figures of 12% and 6% respectively.
  - 5% of full-time degree students were in receipt of disabled students' allowance (the highest rate in the UK).
- 8 In relation to dropout rates from HE courses in Wales the latest information (2005/06) shows that 8% of young full-time first degree entrants to Welsh HEIs, and 15% of mature full-time first degree entrants, did not continue beyond the first year. These figures are higher than for the rest of the UK (comparable figures are 7% and 14%).
- 9 35,185 HE qualifications were obtained at Welsh HEIs in 2007/08. Of these, 10,750 were at postgraduate level, 18,815 were at first degree level and 5,620 were at "other undergraduate" level.
- 10 Around 15 percent of students attending Welsh universities are from outside the UK and 10 percent are from outside the European Union.
- 11 Latest figures (2006/07) indicate that 4080 (3%) of all enrolments at Welsh HEIs involved some teaching through Welsh.
- 12 In 2007/8 the Assembly Government invested £419m through HEFCW to support HE in Wales. Across the HE sector in Wales the proportion of income that comes from the HEFCW grant is 38.45% and varies between institutions from 32% (Cardiff University) to 53% (Swansea

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<sup>9</sup> Source: HESA (*Performance Indicators in Higher Education in the UK, 2006/7*)

Metropolitan University).<sup>10</sup> The average for England is 35.47%, indicating a slightly higher reliance on funding council grants in Wales than in England.

- 13 According to HEFCW calculations government funding per full-time equivalent student (known as grant in aid) is £5450 in Wales, compared to £6287 in England and £8040 in Scotland (2006/7).
- 14 The UK-wide Research Assessment Exercise carried out in 2008 identified that 14% of research being undertaken in Wales is world-leading and that a further 35% is internationally excellent. This compares to 18% and 37% respectively in England and 15% and 37% in Scotland.
- 15 HEIs in Wales competitively won income of £131.3m in 2006-07 for research, of which £35.6m came from the UK Research Councils (2006/7 figures). This represents 3.1% of total available UK Research Council funds distributed in that year. The 2008 Research Assessment Exercise identified many areas of international excellence in Wales but also showed that there was no significant overall improvement compared to England and Scotland since the 2001 RAE.
- 16 There are two Nobel laureates working in Welsh HEIs, Professor Sir Martin Evans and Professor Robert Huber, both situated in Cardiff University's School of Biosciences.
- 17 Welsh HEIs play host to a number of large, externally-funded and internationally-recognised research centres, including, among other,;
  - the Medical Research Council (MRC) Centre in Neuropsychiatric Genetics and Genomics;
  - the Institute of Biological, Environmental and Rural Sciences (IBERS) at Aberystwyth University;
  - the Engineering and Physical Sciences Research Council-funded partnership grant between Swansea and Cardiff Universities on 'Complex Fluids and Complex Flows';
  - the Centre for the Development and Evaluation of Complex Interventions for Public Health Improvement (DECIPHER), between Cardiff, Swansea and Bristol Universities;
  - the Economic and Social Research Council's Centre for Research on Bilingualism at Bangor University.
- 18 HEIs also play an increasingly significant role in the exploitation and commercialisation of their research and in its transfer to business. There are many means of assessing performance in this area but, in general Wales appears to perform credibly when compared to England. In 2006/7 Welsh HEIs accounted for 4.8% of total consultancy contracts

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<sup>10</sup> *Analysis of the Financial position of the HE sector 2007/08, HEFCW, April 2009*

between UK higher education and business (£14m), 13.2% of formal spin-offs and staff start-ups formed in that year (38) and 6.4 % of cumulative active patents (684 in total)<sup>11</sup>.

- 19 Around 19,000 people are employed by Welsh HEIs, ca. 70% being full-time. The sector had a total income in 2007-08 of £1.09 billion and is therefore itself a key player, in terms of the Welsh economy.

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<sup>11</sup> Source: HEFCE (*Higher Education – Business and Community Interaction Survey 2006/7*).

### **Annex 3: Membership and Terms of Reference**

Professor Merfyn Jones (Chair)	Vice-Chancellor, Bangor University
Professor Danny Saunders	University of Glamorgan
Roger Thomas OBE	Chair, Higher Education Funding Council for Wales
Rob Humphreys	Director, Open University in Wales
Professor Robin Williams	School of Engineering, Swansea University
Alison Itani	Director of Wiltan Ltd
Louise Casella	Director of Strategic Development, Cardiff University
Ben Gray	President, NUS Wales

### **Terms of Reference for the Review of Higher Education in Wales**

**Context:** A Task and Finish Group will be established to conduct a two-stage review of higher education in Wales.

The first stage of the review, to conclude by the end of September 2008, will consider student finance arrangements in Wales: the extent to which student finance is targeted to enhance widening access opportunities and encourage take up of priority subjects; how best to tackle graduate debt in anticipation of the 2009 fee cap review in England; and how this is best achieved through national statutory student finance and locally delivered bursaries, scholarships etc.

The second component will focus on reviewing the mission, purpose, role and funding for higher education in Wales taking account of the vision set in *Reaching Higher and Skills that Work for Wales*; ongoing work in England and Scotland and analysis of both current and predicted future economic, social and learner need. This component should complete by the end of February 2009.

**Rationale:** *Reaching Higher* is the Welsh Assembly Government's strategy for a competitive, robust and sustainable higher education sector in Wales. It set out a vision for an inclusive and world-renowned sector and the steps that need to be taken to achieve it, charting a clear course for Government, the Higher Education Funding Council for Wales and the Welsh higher education sector to 2010.



Since its publication in 2002, there have been a number of significant strategic developments including *One Wales*, *Making the Connections*, *The Learning Country 2 Vision into Action*, *Science Strategy*, and *Wales a Vibrant Economy*. With the recent publication of the Webb Review report *Promise and Performance*, the Gibson Review report *The Independent Review of Commercialisation in Wales*, and the *Skills That Work for Wales Strategy* proposals, it is an opportune time to refresh the strategy in light of these new agendas and ensure responsiveness to the many challenges and opportunities faced by higher education.

**Remit:** The task and finish group will review the Assembly Government's policies for higher education with a view to advising the Government on a new vision and strategy which will enable higher education provision in Wales- including its research base- to meet the needs of a modern knowledge based, globally competitive economy and inclusive society. Within this context, the task and finish group will consider opportunities for increasing responsiveness to identified need, assess the potential for new forms of delivery and evaluate the capability whereby research, knowledge development and transfer can contribute to the economic and social advancement of Wales.

### **Common issues to Phase 1 and 2.**

In both phases of the Review, the Group will focus on providing a framework that will ensure that:

- the learner has the widest possible range of opportunities to access higher education across Wales including the further development of innovative approaches to access, accreditation of prior learning and exploration of the potential for the delivery and assessment of higher education in the workplace;
- all learners pursuing higher education provision in Wales, and Welsh domiciled students who choose to study elsewhere in the UK, can access programmes and develop skills which assist and enhance career and employment potential, focusing on Wales's skills needs and on employment outcomes; and
- the sector is able to contribute to, and take a leading part in, the development and delivery of Welsh medium and bilingual learning opportunities, and provision of Welsh language skills.

**In Phase 1**, the Group's advice will particularly need to take account of:

- the implications arising out of the Rees and Graham Reviews;
- the extent to which 'student finance' is targeted to enhance widening access opportunities. ('Student finance' in the review should be considered in respect of both statutory student finance, delivered through 'Student

Finance Wales' and discretionary support available to students from other sources, such as Higher Education Institutions and Local Authorities);

- the extent to which student finance encourages take up of priority subjects, and how these should be defined;
- the need to identify options to help address graduate debt;
- the need to evaluate recommendations against budgetary and financial considerations; and
- the need to ensure that this phase of the review concludes by the end of September 2008 in order to influence statutory student finance arrangements for the first cohort of students from academic year 2010/11.

**In Phase 2,** the Group's advice will need to take account of:

- Welsh Assembly Government's overall priorities set out in *One Wales* and other key strategies such as *Making the Connections*, *Science Strategy* and *Wales a Vibrant Economy* and particularly the *Skills That Work for Wales Strategy and Action Plan* to be published in July 2008;
- implications arising out of previous relevant independent reviews such as The Webb Report, The Gibson Review and the Rees and Graham Reviews; and
- comparability with emerging higher education policy developments in the other home countries, Europe and globally.

In particular, in phase 2, the group will focus on providing a framework which will ensure that:

- Higher Education in Wales is directed, supported and positioned in such a way as to be able to focus on excellence, competitiveness and efficiency within both UK and global markets;
- Higher Education in Wales is responsive to the current and likely future demands and needs of learners, the economy and society;
- partnership and collaboration between higher education institutions, other providers such as the further education sector and with key international, national and regional stakeholders, such as employers, is encouraged and becomes an intrinsic element of higher education provision in Wales;
- the research base of higher education in Wales is particularly able to contribute to economic and social advancement in a way responsive to business needs, and to make the greatest possible contribution to the economy and society through fundamental research, knowledge development and transfer, including the commercialisation of research;

- consideration is given to evaluating the extent to which provision is responsive to employer and employment needs of Wales and the delivery of national provision in key subject areas;
- recommendations are provided for a reduced number of more outcome focussed targets for higher education for the next 5 years;
- higher education is supported in continuing to develop its contribution to the cultural life of Wales and the United Kingdom;
- the funding framework for higher education in Wales reflects the contribution of students, Higher Education Institutions (HEIs), employers, EU funding streams and Welsh Assembly Government.

## **Equality**

The Task and Finish Group will need to be mindful of the key principles of equality of opportunity, and the Assembly Government's policies on race equality, disability and promoting bilingualism; sustainable development; and social justice.

## **Evidence, Reporting and Support.**

The Task and Finish Group will seek input from both the CELLS Ministerial Advisory Group, and the Wales Employment and Skills Board at appropriate stages in its review and will seek comments on draft reports from both groups. It will also seek evidence from external stakeholders and experts and will particularly source evidence, views and opinions from officers and members of the Higher Education Funding Council for Wales.

The business of the Task and Finish Group will be set up where possible to work around members' other commitments.

The Chair is asked to produce two reports to reflect the two components of the Group's work. The first report on the questions around the reform of student finance arrangements will be produced at the end of September 2008. The second Report will focus on reviewing the mission, purpose and funding for Higher Education in Wales and will be produced at the end of February 2009. Both reports will be presented to the Minister for Children Education Lifelong Learning and Skills.

The Group will be assisted by a dedicated team of Welsh Assembly Government officials. The facility is available to commission independent research should that be required.