Education and Lifelong Learning Committee

Policy Review of Higher Education
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Foreword

The committee wants a higher education system in Wales that offers world-class research and teaching provision; a system that extends opportunities for lifelong learning to all; and a system that contributes to and nurtures the social, economic and cultural life of Wales.

The impetus for this review was the need to develop a long-term strategic plan for higher education in Wales. We received a wide range of informed evidence from individuals, institutions and organisations from within Wales and elsewhere. Whilst it is clear that there are already centres of excellence in Wales, we feel that there is a need to stimulate and to facilitate further improvement and achievement. We want to encourage even more students to pursue their studies in Wales.

On behalf of the committee, I would like to thank all those who submitted evidence, either in writing or in person. I would also like to thank the Northern Ireland Assembly and the Scottish Parliament for their assistance and hospitality during our fact-finding visits. I am particularly grateful for the contribution made by committee members, past and present, and also for the assistance of our expert adviser, Professor Leslie Hobson. Finally, I would like to thank the secretariat for managing the review process.

Looking to the longer term, we hope to see well funded Welsh higher education institutions that have fostered and developed collaborative partnerships within the sector and with schools, further education institutions, enterprise and industry. I commend this report to Jane Davidson A.M. (Minister for Education and Lifelong Learning) and invite her to drive this agenda forward.

Cynog Dafis A.M
Chair, Education and Lifelong Learning Committee
Chapter 1
Our vision
Chapter 1

Our vision

Introduction

1.1 In this chapter we reflect on the purposes of higher education then explain the rationale for this policy review before setting out the committee’s vision for the future.

1.2 Higher education (HE) in Wales has evolved over many years, culminating in the thirteen existing institutions. Each institution bar one - the University of Glamorgan - is either part of, or associated with, the University of Wales.

1.3 Whilst the individual higher education institutions (HEIs) are relatively small compared with those in England, the sector as a whole plays an important role in the economic and cultural life of Wales. The average number of full-time equivalent (FTE) students per institution in Wales is about 5,900 compared with a UK average of about 8,500.

1.4 In the academic year 1999-2000, the total number (including full-time, part-time and sandwich students) enrolled in HEIs in Wales was about 93,000. Some 30,000 studied part-time and about 6,000 students pursued higher education courses in further education institutions (FEIs), under franchise arrangements. In addition, some 5,000 students in Wales pursued degree courses through the Open University.

1.5 Lord Dearing, when he appeared before the committee, set out his definition as to what higher education should aim to achieve. The committee endorses this definition:

- To inspire and enable individuals to develop their capabilities to the highest potential levels throughout life, so that they can grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfilment;

- To increase knowledge and understanding for their own sake and to foster their application to the benefit of the economy and society;

- To serve the needs of an adaptable, sustainable, knowledge-based economy at local, regional and national levels;

- To play a major role in shaping a democratic, civilised, inclusive society; and

- To nourish a distinctive culture and its values.

1.6 In August 2001, the Assembly Minister for Education and Lifelong Learning (Jane Davidson AM) published a paving document entitled ‘The Learning Country’. The purpose of this document was to set out the strategic education and lifelong learning aims of the Welsh Assembly Government and to pave the way for primary and secondary legislation. This legislation would complement that proposed by the UK government. Included in the paving document is a commitment to “provide a strong future for Welsh universities and other higher education institutions by producing a 10 year strategy for adequately funded development and expansion.”
Rationale

1.7 There is already much to be proud of in the HE sector in Wales. For example, HEIs in Wales have responded well to meeting the challenge of increasing provision of and widening access to higher education. There are excellent examples of teaching and research in Wales. In addition, HEIs are developing links with the FE sector, schools, businesses and other partners.

1.8 The rationale for this policy review was the need to take stock of the higher education system in Wales, so that we could identify key recommendations that would promote our vision for further improvement. This report records the evidence we have considered and sets out our recommendations.

Our vision

1.9 We want a world class higher education system in Wales that:

- Delivers teaching and research of recognised quality, both within the UK and internationally;
- Provides continuous improvement in teaching and research;
- Offers a broad and balanced curriculum, making efficient use of resources;
- Provides an integrated approach to post 16 education, via links with the FE sector, schools and other partners;
- Maximises the contribution to wealth, job creation and economic development by innovation in the use of emerging technologies and the encouragement of an enterprise culture;
- Widens access to all but especially does more to attract under-represented social groups;
- Nurtures inquiring minds and fosters a love of learning for its own sake;
- Strengthens its contribution to the national revitalisation of Wales; and
- Promotes the Welsh language and the benefits of bilingualism in education and lifelong learning.

Key recommendations

Funding

- That the National Assembly should ensure that the unit of resource for higher education in Wales is at least equivalent to that in England and that the funding gap with Scotland be significantly reduced over the next few years. (Chapter 10)

Structure

- That the Higher Education Funding Council for Wales (ELWa - HEFCW) should collaborate with Higher Education Wales (HEW) - a body representing all HE institutions in Wales) and with individual HEIs to implement a revised structure of higher education, based on the cluster model. These clusters should work closely with ELWa, FE colleges, businesses and industry – together with voluntary organisations and public bodies. (Chapter 9)
That the Assembly Minister should require ELWa – HEFCW to adopt a more proactive strategic planning role and she should seek implementation of appropriate primary legislation, working with the Wales Office, as soon as possible. (Chapter 9)

That the Assembly Minister, ELWa – HEFCW and HEW should enter into dialogue with the University of Wales to critically review the appropriateness of the present University of Wales structure. (Chapter 8)

That ELWa – HEFCW should encourage HEW to carry out a thorough review of the management expertise within the sector and establish a staff training and development programme for senior managers. (Chapter 7)

**Mission**

That ELWa - HEFCW should work with HEW to develop an all-Wales strategy for research that will:

- produce a world class research base;
- facilitate the development of embryonic research units;
- establish and develop centres of excellence, including those involving wealth creation; and
- recognise and reward the contribution of applied research. (Chapter 4)

That the Assembly Minister should provide a “third mission” funding stream, set against specific targets to promote regeneration activities. This funding stream should be strategic and more long-term focused than has historically been the case. (Chapter 6)

That ELWa - HEFCW should prepare a strategy for developing Welsh-medium provision, including an assessment of demand and taking into account the proposals made by the Board for Welsh Medium Teaching. (Chapter 3)

That ELWa – HEFCW should develop a strategy to ensure specialist provision – for example, medicine, teacher training, music and drama – is maintained and access extended, via collaborative initiatives. (Chapter 3)

**Access**

That ELWa - HEFCW should co-ordinate widening access strategies across the sector, to disseminate best practice, to avoid duplication and, to introduce a new component in its funding methodology to strongly encourage widening access. (Chapter 5)

That ELWa - HEFCW should commission further investigation into the particular needs of students with disabilities and learning difficulties and ask the HE sector to estimate what additional funding is needed to meet its statutory responsibilities for equal opportunities – and to produce a programme of measures to achieve this. (Chapter 10)

That ELWa - HEFCW should provide funding for all-Wales Information and Communication Technology (ICT) development in higher education, with realistic and measurable milestones set by the Assembly Minister; in particular, for widening access and extending Welsh-medium provision. (Chapter 3)
Chapter 2

Our approach
Chapter 2

Our approach

Background

2.1 The (now defunct) Post 16 Education and Training Committee started this policy review in March 2000. The committee agreed the terms of reference and appointed Professor Leslie Hobson, Deputy Vice Chancellor of the University of Glamorgan as its expert adviser. Following the changes to Assembly Cabinet portfolios after the establishment of the coalition government of the National Assembly, the two previous Education Committees were dissolved and replaced by the Education and Lifelong Learning (ELL) Committee. The ELL Committee held its inaugural meeting in November 2000 and resolved to continue with the review.

Terms of reference

2.2 To identify a vision for higher education in Wales and how it should serve the country’s needs, and to develop a long-term strategy for optimising the sector’s contribution. The study should take account of the national, European, and wider international dimensions involved, together with the various teaching, research, cultural, vocational and economic missions within the sector. The study should address in particular:

- The range of disciplines and activities within higher education
- The portfolio of research undertaken within the sector, and the amount and pattern of research funding obtained from ELWa - HEFCW, research councils and other sources;
- The economic mission of higher education institutions in relation to wealth and job creation and the commercial exploitation of knowledge;
- The scope for collaboration and integration within the higher education sector and also partnership between HE institutions and schools, further education institutions and others in order to continually raise standards of both teaching and research;
- Student financial support and its effect on the volume and pattern of recruitment and retention; and
- The Assembly’s statutory powers and any constraints they impose on the strategic development of higher education in Wales.

2.3 The policy study should describe the opportunities for strategic development, make recommendations for action and set targets for achievement, having due regard to competing priorities and constraints on resources.
Our key themes

2.4 Initially, we identified six themes, which informed the consultation process. During the course of the review, these were subdivided to create eight key themes, which are examined in detail in Chapters 3 to 10:

- Teaching and learning;
- Research;
- Widening access;
- Economic, social and cultural regeneration;
- Governance;
- Quality;
- Size and shape; and
- Funding.

Our approach

2.5 The main features of our approach were as follows:

- A position statement was prepared by senior officials in the National Assembly’s Training and Education Department;
- Questionnaires were sent to relevant organisations; HE institutions, groups representing the HE and FE sectors, professional bodies, trade unions and organisations connected to the sector;
- The expert adviser analysed the responses and presented a paper to the committee;
- ELWa - HEFCW and HEW gave general scene setting presentations to the committee, on behalf of the sector;
- HEW set up working groups to examine particular issues and representatives from these working groups gave evidence to the committee;
- Individual HEIs gave oral presentations to the committee;
- Other organisations gave oral presentations to the committee; including Fforwm, trade unions representing staff working in HE, the National Union of Students (NUS), the University of Wales Board for Welsh Medium Teaching, groups representing students with disabilities and the Quality Assurance Agency (QAA);
- Individuals - including Lord Dearing who chaired the group which produced the landmark report "Higher Education - the Learning Society" - were invited to make oral presentations to the committee;
- The presentations focused initially on six themes but these were extended to the eight key themes listed in Section 2.3; and finally
· The committee evaluated the evidence in private session and, with the assistance of their secretariat and expert adviser, produced this report.

2.6 The consultation process is described in Annex 2 and a schedule of respondents is at Annex 3. A schedule of those who presented papers to the committee, with relevant dates and reference numbers is at Annex 4. All these papers can be found on the National Assembly’s website - www.wales.gov.uk

2.7 Professor Hobson prepared a summary of the nature and size of existing collaborative activities between HEIs in Wales. This is at Annex 5.

2.8 Professor Hobson also prepared a paper describing case studies of higher education systems in countries, or regions, with some characteristics in common with Wales. These included the Republic of Ireland, Northern Ireland, Scotland, Wisconsin (USA), Flanders, Canada and the Basque Region of Spain. This paper is at Annex 6.

2.9 To gain experience at first hand, the committee visited Scotland and Northern Ireland in June 2001. The committee held meetings with officials and participated in a joint meeting with the Northern Ireland Assembly’s Committee for Higher and Further Education, Training and Employment. These meetings were most useful and constructive and it hoped to build on these contacts for collaboration on future policy reviews.

2.10 The Economic Development Committee (EDC) expressed interest in contributing to this policy review, with particular reference to the HE sector’s role in economic regeneration. EDC considered this issue at their meeting on 11 July 2001 and the ELL committee welcomed their constructive advice. The (then) Minister for Economic Development (Michael German AM) provided an additional written contribution.
Chapter 3

Teaching and learning

Background

3.1 The committee learnt how study patterns in, and the delivery of, higher education were changing; on the challenges and opportunities posed by new technology; and on the possibility of extending Welsh-medium provision. We did not delve into details of the subjects offered in Wales, except to look at the needs of niche markets and at the ways in which a broad curriculum could be made accessible to all parts of Wales. The committee was told that all subjects, with the exception of veterinary science, could be studied in Wales and the relevant statistics are given in Annex 1.

3.2 The committee recognises that ELWa - HEFCW already has an established track record in assessing the skill requirements of Wales and feel that this should continue and be further developed, linking with the new regional committees of ELWa. The committee supports the Assembly Minister’s response to the report of the Skills Task Force, which sets out a strategy for developing higher levels of skills in Wales.

3.3 Higher education has rapidly expanded over the last few years and HEIs have had to become more flexible in adapting to new patterns of study. Students are now moving into and out of HE, as their lifestyles and circumstances change and HEIs consequently must tailor their curriculum more flexibly.

Information and communications technology (ICT)

3.4 We feel that the following extracts from evidence submitted set this issue in context:

- “Learners of the future ... will demand more direct control over their own education and learning experiences” (Trinity College, Carmarthen – written submission);

- “The cutting edge of much HE will be provision at a price, location and time which the learners themselves dictate.” (University of Glamorgan – written submission); and

- “New methods are best viewed as adding extra value rather than replacing face-to-face interaction.” (University of Wales College, Newport – written submission).

3.5 The committee was told that although the possibilities opened up by changes in ICT were exciting, it was important to recognise that this was not a cheap option, nor was it a panacea for coping with increased student numbers given a low unit of resource. HEIs saw the benefits of ICT as opening up access to higher education and of facilitating collaboration. It was not simply a tool for distance learning but could be used effectively to supplement on-campus provision. Given the costs of the initial investment, it made sense for HEIs in Wales to collaborate, to develop a pan-Wales infrastructure with compatible systems; to meet staff development needs in a cost-effective way and to ensure that resources were not wasted in duplicating expensive systems. We feel that the advantages of using ICT are:

- Encouraging participation in higher education from geographically isolated communities;
• Opening up the possibility of corporate universities to provide the workforce with new skills;
• Reaching a dispersed student body from one central location (for example, through the medium of Welsh);
• Providing on-line support, including collaborative working; and
• Providing additional study support for students who wanted to revisit lecture material, or to access it at a time convenient to them.

3.6 However, Professor Allan Cochrane (Pro Vice-Chancellor of the Open University) acknowledged that:
• ICT was not suitable for all types of student;
• ICT could increase the exclusion of the socially and economically disadvantaged, unless appropriate local support mechanisms were provided;
• Not all course material was suitable for on-line delivery; and
• ICT was expensive. The Open University estimated that an increase of 20% in their own course delivery through ICT would entail an increase in academic time of 41% and production time would rise by 141%.

3.7 To use ICT effectively required significant initial investment in both infrastructure and staff development. HEW and Professor Cochrane agreed that collaboration across Wales would help to spread investment costs in infrastructure, thereby releasing resources to help individual HEIs develop high quality material in subject areas in which they had most expertise.

3.8 We consider that distance learning opportunities, which attract students from overseas, should be exploited to maximise the benefits of this initial investment. The use of new technology, such as managed learning environments, should be looked at not only in terms of distance delivery but also to complement traditional methods of on-campus delivery. However we believe, as National Association for Teachers in Further and Higher Education (NATFHE) commented, ICT should supplement - not replace - traditional methods of teaching. Some respondents were concerned that ICT might be used as an expedient means of coping with reduced staffing and increased student numbers, rather than for sound teaching reasons.

3.9 Representatives of Enterprise College Wales gave members of the committee an informal presentation regarding their experience of developing enterprise education using the latest internet-based technology. The Enterprise College Wales, led by the University of Glamorgan, has received £6 million in funding from the European Union under the ‘Objective One’ initiative. Partners include BBC Wales, Young Enterprise Wales, Trinity College and various FE colleges throughout Wales. The Enterprise College Wales aims to deliver flexible courses focused on developing entrepreneurial skills, leading to valuable management qualifications. Help and support will be provided around the clock using dedicated tutors, mentors and on-line student forums. The committee was impressed with the scope and flexibility of this initiative and felt it was a useful model for e learning. We consider that ELWa - HEFCW should encourage the formation of a cluster to extend ICT across Wales, via existing links between the HE and FE
sectors – possibly based on the Enterprise College Wales model. The Cluster model is described in Chapter 9.

3.10 We feel that the following issues are important:

- **The need to provide support for e learners** - Despite the exciting opportunities offered by the Internet and e learning, some students would not automatically be able to make the best use of this technology. We suggest that HEIs should use a mixture of local centres, mentoring and on-line help to provide both technical and academic support. There is a need to provide facilities for, and initial training in, ICT for students who need support - particularly those from less advantaged backgrounds. These students may not have had the same ‘hands-on’ opportunities with ICT as experienced by their more affluent peers. The Enterprise College Wales project demonstrates how building on existing partnerships between the HE and FE sectors could provide these facilities in Wales. The committee supports the suggestion by the NUS that HEIs should provide Community Learning Centres, serving the dual role of supporting off-campus study and also maintaining a visible presence in areas where there was not a culture of participation in higher education;

- **The need for robust quality assurance mechanisms** - Professor Cochrane pointed out that much of the e learning teaching material currently produced overseas was sub-standard in comparison to traditional teaching material. Students experiencing increasingly sophisticated software in their leisure activities expect the same high quality in their course material;

- **The need for staff development** - It is not enough that lecturers simply put their traditional lecture material on-line. Staff need training to help develop material that is designed specifically for on-line delivery and which makes best use of the emerging technology. There is a need to prepare staff in changing their primary roles from direct delivery of lecture material to large groups –‘sage on the stage’, to more tutorial support on a one-to-one basis – ‘guide by the side’. Both have been, and will continue to be, important but the emphasis will change; and

- **The need for standardisation** - Given the level of investment in setting up an all-Wales ICT infrastructure, it is important that systems are compatible with each other. The Enterprise College Wales model should be evaluated as a basis for an all-Wales infrastructure.

3.11 The National Assembly is currently pursuing a number of objectives regarding the Cymru Ar-lein strategic framework; see [www.cymruarlein.wales.gov.uk](http://www.cymruarlein.wales.gov.uk). Cymru Ar-lein details the National Assembly’s strategy to create a Wales that exploits ICT to remove inequality and exclusion, enable sustainable economic and social development and achieve a better quality of life for all its citizens. The set of key commitments of Cymru Ar-lein listed below will have important implications for the provision of higher education in Wales:

- To use ICT to enhance communities, their culture and languages, promote social inclusion and help combat a digital divide;

Develop a Wales where all businesses, wherever they are located, are able to exploit information and communication technologies fully in order to improve their competitiveness, innovate and achieve sustainable growth;
• The Assembly will, through partnerships and agreements, use ICT to deliver first class public services across Wales and play our part in stimulating developments in other sectors;

• Ensure everyone in Wales can acquire the skills and understanding to participate in and benefit from the information age; and

• The Assembly will work with partners in the public and private sector to ensure that Wales develops first class ICT infrastructure based on the most advanced available technologies.

3.12 Within the Cymru Ar-lein framework, the National Assembly has set out how:

"The skills, competence and ability of the Welsh people to exploit ICT are critical to sustainable economic development in Wales. Education and training providers have a key role in delivering our vision. Schools, colleges, universities and commercial providers all need to play a part. Our approach in Wales needs to be truly life long and developmental. ICT has the potential to revolutionise the way we learn, our perception of learning and our access to it."

Broad curriculum

3.13 We feel that, in order to facilitate the widening access agenda and to attract students from overseas, it is necessary for HEIs in Wales to offer the full range of topics. There were some potentially conflicting pressures on higher education in Wales, in terms of the range of provision. Professor Maxwell Irvine (recently retired Vice-Chancellor of Birmingham University) stated "I do not believe that a single institution can sensibly plan to cover the full range of provision". Whereas all HEIs agreed that it was important to preserve the diversity of the sector, they echoed Professor Irvine’s comment. Whilst there was a case for developing expertise - perhaps through centres of excellence in teaching and research - and for meeting specialist niche markets, the committee feels that this should enhance rather than be at the expense of providing a broad HE curriculum throughout Wales. Possible models for the future of the HE sector are discussed in Chapter 9. We consider that the cluster model - coupled with distance learning (probably using elearning) - would lend itself to providing a broad curriculum.

3.14 The committee heard concerns expressed that competitive funding had, in the past, encouraged conformity and mission drift, with HEIs feeling they had to bid for every new initiative - whether relevant to their mission or not. Respondents spoke of a need for co-ordination and for a strategic approach to HE provision. The committee considers that ICT could be a mechanism for reconciling these aims, in that HEIs could produce high quality material in their particular areas of expertise and then offer it to a wider audience, using appropriate technology.

3.15 In the submissions from HEIs, the committee was told of the advantages in, and obstacles to, collaboration. Current funding mechanisms were most often cited as a barrier to effective collaboration but this view was not supported by ELWa - HEFCW; see Chapter 10, paragraph 10.26. The committee asked HEIs to quantify the extent of existing collaboration and their responses are summarised at Annex 5. This showed that, whilst there were many collaborative initiatives in research and technology transfer, these were mostly small-scale; collaborative activity in teaching and support services was still quite limited.
3.16 The committee learnt that the teaching of physics in University of Wales, Aberystwyth, Cardiff University and University of Wales, Swansea provided good examples of best practice in course delivery. An additional example was the teaching of subjects allied to medicine through the collaboration between the University of Wales College of Medicine (UWCM) and University of Wales, Aberystwyth, University of Wales, Swansea, the University of Glamorgan and the Open University. However, with the exception of these notable examples, the committee was told that collaboration tended to be from the bottom-up and ad hoc; the result of a few like-minded individuals getting together. The committee feels that there is little sense of any strategic direction.

3.17 We consider that the advent of e delivery could provide a major breakthrough in extending provision to parts of Wales where particular subjects are not offered. This model, supported through an HE/FE network, could provide a powerful basis for future delivery of HE courses throughout Wales. The committee learnt that the dispersed nature of the HE sector in Wales was often viewed as a problem of communication and logistics. The committee feels, however, that this could be turned to advantage by providing the impetus for investment in appropriate technology to enable delivery of HE to all parts of Wales. We consider that HEIs in Wales must be able to respond to the global market by developing opportunities in distance learning. To this end, ELWa - HEFCW should provide funding to encourage collaborative ventures.

Welsh-medium education

3.18 The committee learnt that delivery of higher education through the medium of Welsh accounted for less than 2% of the total, despite the growing number of Welsh speakers emerging from secondary schools. In the year 2000, over 1,800 A-level papers were taken entirely through the medium of Welsh, which represented about 6% of all A-level papers taken in Wales. The committee was told that there were 52 Welsh medium secondary schools, which represented about a quarter of all the secondary schools in Wales.

3.19 The committee learnt that, over the past 40 years, teaching through the medium of Welsh had been on a small scale. There had been a relatively low number of Welsh-medium lecturers, mainly based at UW Bangor, UW Aberystwyth or Trinity College. The committee learnt that in order to develop Welsh-medium provision, the University of Wales and the University of Glamorgan had jointly established a Board for Welsh-Medium Teaching and funded the appointment of a Development Officer for Welsh-medium teaching.

3.20 In its submission, the Board for Welsh-Medium Teaching (the Board) listed a number of short, medium and long term targets including a development plan; curricular area panels; a virtual national Welsh medium support centre, and a governing body for Welsh medium courses. The Board has set a target of three modules in every course to be offered through the medium of Welsh by the year 2007.

3.21 The committee appreciates that funding is a key issue in relation to the contribution that can be made to extending Welsh-medium provision; whether by supporting elearning development; providing a centre for the production of materials in Welsh, or general development funding. The committee invited the Board to submit more detailed proposals with funding implications - for their virtual national Welsh-medium support centre. The Board duly submitted proposals to the Minister and sent copies to the committee. The Board’s proposal was based on the following principles:
• Retaining all academic expertise and staff in the HE institutions;
• Increasing the number of staff in the national centre in relation to the growth in Welsh medium courses and evident successes within the institutions;
• Using Welsh speaking members of academic staff already employed by the institutions to identify specific needs and to design future growth in Welsh medium modules, courses and resources;
• Regular and sustained collaboration between academic members of staff in HEIs;
• Establishing an effective working relationship between HEIs and the national centre, using technology as well as traditional face-to-face communication; and
• Ensuring that the national centre is a virtual rather than geographical centre, with members of staff working directly from HE institutions in Wales.

3.22 The committee wants to encourage Welsh-medium provision and believes that provision should be increased to meet demand. We consider that there are several ways of extending Welsh-medium education in the HE sector and feel that the virtual national centre proposed by the Board is the way forward. The Board has submitted proposals to the Assembly Minister and these should be fully evaluated. We consider that provision should include the establishment of a centre for production of materials and for assessing and developing the use of ICT as a means of delivering more material through the medium of Welsh. We feel that Aberystwyth, Bangor and Trinity could be the main providers of the Welsh-medium materials. These materials should be available to support and enhance opportunities in every institution across Wales, all of which are required to have a Welsh language scheme and a strategy for enhancing Welsh-medium provision.

3.23 A proposal to establish a virtual federal college based at existing HEIs within Wales, to promote teaching and learning through the medium of Welsh was not supported by the committee at this time.

Niche markets

3.24 In addition to Welsh-medium provision, the committee was told of specialist markets for disciplines such as medicine; initial teacher training (ITT); music and drama. Respondents agreed that it was important that this provision should be preserved. However, in order to make the best use of resources, respondents felt that there was scope for rationalisation in the provision of ITT and for collaboration to achieve pan-Wales provision. The committee considers that both the Welsh College of Music and Drama (WCMD) and the UWCM should be encouraged to develop their pan-Wales strategies. The WCMD is a conservatoire with a pan-Wales remit. We were interested to learn how Scotland had approached this issue. We were told that the Scottish Higher Education Funding Council (SHEFC) had granted Small Specialist Institution Status to three institutions offering courses in art, music and drama. Consequently, these HEIs received additional funding in recognition of the different economies of scale faced by small institutions. In return, these HEIs had to provide SHEFC with strategies on how they intended to use the additional funding - in response to the needs of Scotland. We feel a similar initiative should be piloted at the WCMD.
3.25 A paper prepared by Professor Cameron (recently retired Vice Chancellor of the University of Wales College of Medicine) entitled “The future of Medical Education and Research in Wales” provides a blueprint for the wider expansion of medical education and research. The National Assembly has set up a high-level strategy group to examine the future of medical education and research in Wales. This group is due to make recommendations to Assembly Ministers early in 2002.

Human resources

3.26 We believe that human resources are vital to a successful higher education sector. The committee considers that an extensive staff development programme is needed to instruct staff on how to use new technologies and, equally important, to prepare them for the consequent cultural change. In the future, lecturers may be involved more in supporting learning on a ‘one-to-one’ basis and not only in the delivery of lectures to relatively large groups. We feel that staff development is needed also to help staff analyse and provide appropriate support for non-traditional learners, for students with disabilities and for overseas students. The development programme could include building and expanding specialist provision, creating centres of excellence in teaching and learning.

3.27 We feel that in order to appoint top quality staff, HEIs in Wales should provide the infrastructure, facilities, competitive salaries and career opportunities that will attract and retain people of the required calibre. Experienced lecturers and research staff are a valuable and mobile resource. The committee feels that every effort should be made to recruit and retain such staff in Wales.

Recommendations

1. That ELWa - HEFCW should provide funding for all-Wales ICT development in higher education, with realistic and measurable milestones set by the Assembly Minister, in particular, for widening access and extending Welsh-medium provision;

2. That ELWa - HEFCW should encourage the formation of a cluster to extend ICT across Wales, via links with HE and FE sectors – possibly based on the Enterprise College Wales model;

3. That HEIs in Wales must be able to respond to the global market by developing opportunities in distance learning. To this end, ELWa - HEFCW should provide funding to encourage collaborative ventures;
4. Subject to satisfactory arrangements for validating awards, HEIs should develop and sell e-learning expertise globally and to link with partners in the UK and overseas who could help maximise the profits and potential of this market;

5. That ELWa - HEFCW should prepare a strategy for developing Welsh-medium provision, including an assessment of demand and taking into account the proposals made by the Board for Welsh Medium Teaching;

6. That the National Assembly should fund a centre for the production of learning materials in Welsh, based on existing expertise in Aberystwyth, Bangor and Trinity College Carmarthen but with links to all parts of the HE and FE sectors in Wales;

7. That ELWa - HEFCW should develop a strategy to ensure specialist provision – for example, medicine, teacher training, music and drama – is maintained and access extended, via collaborative initiatives; and

8. That HEIs should meet their equal opportunities obligations and develop appropriate staff development programmes.

**Link recommendations:**

- That the Assembly Minister should impress on the QAA and the Welsh Language Board the urgent need to resolve the issue of the translation of examination scripts in Welsh. (Chapter 8)

- That ELWa - HEFCW should facilitate a teaching-led cluster based on the University of Glamorgan, University of Wales Institute, Cardiff (UWIC) and University of Wales College, Newport (UWCN) to promote widening access, e-learning and provision of all disciplines across Wales through a network of franchise colleges. This should also be with a view to possible merger. (Chapter 9)

- That ELWa - HEFCW should facilitate collaboration between Aberystwyth, Bangor and Trinity College Carmarthen, to develop Welsh-medium provision, based on the proposals of the Board of Welsh-Medium Teaching. (Chapter 9)
Chapter 4

Research

Background

4.1 We consider that these extracts from evidence submitted set the context for this issue:

“A world-class, international base is vital if Wales is to compete in the knowledge-driven industry” (WDA).

“It is essential that within the range of higher education, there is an element dedicated to the traditional research intensive mode and committed to intellectual endeavour of the highest level” (Professor Maxwell Irvine).

4.2 During the course of the review, it was impressed upon us that Wales needed a world class research base. Betterwales.com had set an ambitious aim for the HE sector in Wales - that by 2010 it should command external research funding twice as large as the average for the 1990s. We feel that future growth in the higher education sector in Wales depends crucially on measures taken now to anticipate demands for world class excellence in research in the emerging technologies. HEIs in Wales must be given the means to meet these demands. We understand that the Minister has already asked her officials to prepare advice on this issue.

4.3 Dr John Taylor (Director General of the Research Councils) stated that a science base was “a key resource for creating prosperity, better health care, a cleaner environment and for tackling crime”. He added that British Science was world class; that Wales itself had a number of units of assessment attracting grade 4 and above in Research Assessment Exercise (RAE).

The RAE Rating Scale

This table indicates the requirements necessary in order to gain a RAE grading

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5*</td>
<td>Research quality that equates to attainable levels of international excellence in a majority of sub-areas of activity and attainable levels of national excellence in all others.</td>
</tr>
<tr>
<td>5</td>
<td>Research quality that equates to attainable levels of international excellence in some sub-areas of activity and to attainable levels of national excellence in virtually all others.</td>
</tr>
<tr>
<td>4</td>
<td>Research quality that equates to attainable levels of national excellence in virtually all sub-areas of activity, possibly showing some evidence of international excellence, or to international level in some and at least national level in a majority.</td>
</tr>
<tr>
<td>3a</td>
<td>Research quality that equates to attainable levels of national excellence in a substantial majority of the sub-areas of activity, or to international level in some and to national level in others together comprising a majority.</td>
</tr>
<tr>
<td>3b</td>
<td>Research quality that equates to attainable levels of national excellence in the majority of sub-areas of activity.</td>
</tr>
<tr>
<td>2</td>
<td>Research quality that equates to attainable levels of national excellence in up to half the sub-areas of activity.</td>
</tr>
<tr>
<td>1</td>
<td>Research quality that equates to attainable levels of national excellence in none, or virtually none, of the sub-areas of activity.</td>
</tr>
</tbody>
</table>

Source: RAE Website.
Wales has also benefited from major pump priming funding under the Government’s University Challenge scheme - for the Cardiff Partnership (Cardiff and UWCM) and the Institute of Grassland and Environmental Research partnership with University of Wales, Aberystwyth. Under the Science Research Investment Fund (SRIF), Wales will receive about £35 million for investment in research infrastructure.

We were told that the HE sector in Wales had improved its research profile between the RAES of 1992 and 1996. For example, the number of units gaining a grade 4 or above had risen from 32 to 59. However, Wales still does not attract the percentage of research funding that it might be expected to attain. Although total research income for Welsh HE has increased by 25% in recent years - compared with growth of 18% for the UK sector as a whole - it still only represents just over 3% of the UK total. We were told that 5% is the accepted pro-rata benchmark for Wales. Research Council income for Wales is only about 3%.

We learnt that Scotland, in contrast, had a population that was 9% of the UK but was attracting over 10% of the UK Research Council Grants and had approximately 13% of all the 4, 5 and 5* rated units of assessment in the UK. SHEFC had recently allocated specific funding for research development and for collaborative activity which would all help to maintain Scotland’s position.

The committee heard that although the UK as a whole has an excellent track record for research, it has not been particularly successful in exploiting these discoveries. We learnt that ‘third mission’ activities (i.e. knowledge exploitation and technology transfer) are becoming increasingly important aspects of HE activity. But these activities have not, in the past, received the same level of support as basic research.

World class research requires world class facilities, world class researchers and a steady supply of well trained postgraduates. This means building up departments/centres that are able to score Grade 5 in the Research Assessment Exercises. In order to achieve this, a critical mass has to be reached. Cardiff is the only Welsh institution that is currently a member of the elite Russell Group of UK research based universities. There must also be provision for developing embryo research units and for recognising the talents of individual researchers who were not based in Grade 5 departments.

Funding is at the root of building up a first class research base. Funding can provide the infrastructures and the salaries that attract prominent researchers. It cannot be achieved if this funding is spread too thinly. The funding therefore needs to be targeted. Respondents agreed that both basic and applied research should be valued and supported. They are strongly linked. We were told that tomorrow’s key long-term applications are often rooted in today’s basic research programmes whilst many new fundamental discoveries result from an investigation and understanding of applied processes.

A good research base is important for the local and national economies, for recruitment in attracting high quality staff and students, and for underpinning teaching - “today’s research is tomorrow’s lecture” (Professor Sir Brian Smith, HEW, 9 May 2001).

Improving performance

The committee was concerned to hear that, despite all the efforts to improve its research performance, the HE sector in Wales was not attracting its expected share of research funding.
Dr Taylor reminded members that competition for research funding was highly competitive and was on a UK-wide basis. It was important for Welsh HEIs to consider their priorities in submitting bids. We feel that Wales needs to maintain its lead in areas where it is at present strong and to develop excellence in emerging areas. It is important to develop links with industry and business and to predict and invest in the high technology, high growth areas of the future. HEIs also needed to look at those areas where funding the infrastructure could make a significant difference.

4.12 Professor Ian Cameron in a paper to the Assembly entitled "HE in Wales: A Possible Route to Research Excellence", proposed a centres of excellence approach as a means of improving Wales’ research performance. To achieve this:

- Each institution would identify a research area of 5* quality;
- Each 5* group would then be required to attract other individuals to work with them; and
- Senior researchers from overseas would be offered short-term fellowships.

4.13 In small subject areas, there would only be a need for one such unit; larger disciplines might support different but complementary units. The units should be allied not only to areas of excellence but to policies for Wales in relation to health or economic development. The centres would hold joint planning meetings and produce joint reports. The centres of excellence approach had much support from individual HEIs. Northern Ireland had adopted this approach and was funding six projects to support research excellence under its Support Programme for University Research. We recommend the centres of excellence approach, in principle.

4.14 Professor Maxwell Irvine affirmed the need for a strong research base to "act as a magnet for inward intellectual investment". Institutions that wish to be world class in research needed a high percentage of departments scoring grade 4 or above in the research exercise - Birmingham University was aiming for 80% at grade 5 in the current round of RAE. They also needed to be large enough to compete with the top research players. Professor Irvine believed institutions that aspired to this needed to bridge the gap quickly rather than incrementally. His own institution had suggested merger with Aston University, with a view to freeing up an additional £10m per annum for research - to be achieved through savings in shared planning and management.

4.15 HEW blamed under-funding as the reason why HEIs in Wales were relatively unsuccessful in attracting research grants. Because of this, we were told HEIs in Wales had a higher student/tutor ratio than their counterparts in the UK and that this limited the time that tutors could dedicate to scholarly activity. Another factor was that - owing to its success in widening access initiatives - Wales had a greater percentage of students from under-represented groups. Consequently, staff had to devote a greater amount of time to supporting these students and so had less time to devote to research.

4.16 The committee learnt that adequate funding was essential to building a successful research community. Good research facilities were the key to attracting and retaining talented researchers, who can pick and choose posts in an international market. Salaries too must be competitive and there should be less reliance on short-term contracts. "Wales will not attract
or retain high-quality researchers if it even contemplates being content with making the best use of limited resources” (University of Wales, Aberystwyth).

4.17 The then Economic Development Minister (Michael German A.M.) suggested the formation of a Wales Science Council - on the lines of that in the North West of England - as a means of ensuring Wales maximised its income from the UK Research Councils. The committee supports this idea.

Research collaboration

4.18 Evidence to the committee showed the extent of collaboration in research activities but it should be noted that this was neither currently strategic nor structured to the Assembly’s agenda. A coherent strategy linked to the Assembly’s objectives for Wales was required. In relation to research, the issue was again raised of funding mechanisms not facilitating collaboration, as was the fact that the current system increased “the financial polarisation between institutions” (ELWa - HEFCW, written submission).

4.19 Dr. Taylor stated that developments in e-science would mean research collaboration on a large scale would be possible even between well distributed global teams. We were told that half the research papers published in the UK already involved authors from more than one institution. This was spontaneous and ‘bottom up’ collaboration, rather than contrived for the purpose of funding. The sector felt there was scope to collaborate on many research-related areas -such as postgraduate training and supervision, as well as on the projects themselves. Lord Dearing felt there would be an advantage for Wales in having one research institution with an international reputation plus centres of excellence in particular disciplines.

4.20 In advocating a ‘centres of excellence’ approach to building up high quality research units, respondents recognised that the twin activities of teaching and research were mutually supportive. Professor Irvine noted that the research intensive universities are amongst the highest scoring for their quality of teaching. However, the size of the research units was seen as a critical factor. We were told that they should achieve a critical mass not only in basic research of international standing but also in the kinds of applied, developmental work which underpins local business.

Funding

4.21 Many respondents told the committee it was important that the Minister should grant core funding on a par with competitors in the rest of the UK, if Wales wanted to improve its research performance. It was also increasingly important for HEIs to be able to provide the required matched funding for both external grants and internal initiatives. The issue of funding is dealt with in Chapter 10.

Commercial value of research

4.22 We were told that HEIs needed to have the mechanisms to exploit the commercial value of their research and this was another area that could be achieved through collaboration - particularly in smaller institutions. Sir Brian Smith, on behalf of HEW, pointed out that this required a certain willingness to take risks. There was a need for the Welsh Assembly Government to foster a culture that accepted a degree of failure in connection with entrepreneurial activities of this nature.
4.23 In an article in ‘Notes from the Front’ in February 2001, the First Minister (Rhodri Morgan AM) wrote "Research has shown that one of the main reasons for this low level of entrepreneurial activity was that we lacked a strategy for the integrated delivery for the business support initiatives." Also, "The Assembly has, therefore, fully committed itself to fostering a flourishing enterprise and innovation culture that values, recognises and rewards entrepreneurial spirit and risk taking. We firmly believe that a successful future for the Welsh economy depends on a strong culture of enterprise and entrepreneurship – and a robust and effective business support system to go with it." The committee endorses these comments.

4.24 Michael German A.M. pointed out the value of spin-off activities, not only contributing to the economy of the locality but in raising the profile of institutions to potential students and staff. He urged involvement in programmes such as Foresight to provide some insight into the future, not only in terms of the technological developments but from the point of view of socio-economic changes.

Knowledge transfer

4.25 Professor Sir Adrian Webb (Vice Chancellor of the University of Glamorgan), in a paper entitled ‘Knowledge and the Welsh Economy’ - presented first to the Institute of Welsh Affairs - discussed the importance of the ‘knowledge economy’ and how the HE sector has a vital role to play. Knowledge added value by turning new knowledge into business innovation; by applying well established knowledge to new problems or in new contexts; by applying old knowledge to complex situations requiring change.

4.26 To be of value therefore, research had to be exploited. As several contributors noted, the UK had not matched its record in basic research with equal success in exploiting its commercial value. Even though the position was gradually changing, with some modest funding being channelled into knowledge transfer/exploitation activities, much more could be done.

4.27 Professor Webb advocated a strategic approach, bringing business and HE together with appropriate funding mechanisms to encourage this. Current funding of research through the RAE was highly selective and favoured the “best” departments rather than encouraging individuals or teams. This approach had inhibited collaboration and did not recognise the inter-disciplinary nature of much research. It did not encourage developing disciplines or the "new" universities, which could fund specialist areas but not research across the whole discipline.

4.28 He suggested, as a way forward:

- A funding stream to support wealth creation activities;

- Enhanced investment to promote collaboration so that Wales was ready to bid for large funds (N.B. Scottish Knowledge’s consortium of 14 HEIs has secured major overseas contracts);

- A coherent strategy spanning basic and developmental research and one which sought "a greater fit between the Welsh research effort and the future shape of the Welsh economy";

- Equal attention to knowledge transfer and business innovation/modernisation processes as well as to basic/strategic research; and
Recruitment of skilled practitioners in all forms of research. The committee endorses this approach.

Recommendations

1. That ELWa - HEFCW should work with HEW to develop an all-Wales strategy for research that will:
   - Produce a world class research base;
   - Facilitate the development of embryonic research units;
   - Establish and develop centre of excellence, including those involving wealth creation; and
   - Recognise and reward the contribution of applied research.

2. That the Assembly Minister should provide ‘initiative funding’ to promote the development of centres producing high quality research;

3. That ELWa - HEFCW should determine how best it could then support existing research in all HEIs in Wales and how best to associate these with centres of excellence; and

4. That ELWa - HEFCW funding should support all-Wales initiatives to co-ordinate the professional development for postgraduate research students and young academics.

Link recommendations:

- That the Assembly Minister should support the Arts and Humanities Research Board in its aim to be upgraded to a research council. (Chapter 6)

- That ELWa - HEFCW should facilitate a research-led cluster based on Cardiff University and the UWCM – with a view to possible merger in the long-term. (Chapter 9)
Chapter 5

Widening access
Chapter 5

Widening access

Background

5.1 Two of the Assembly’s major themes, social inclusion and equal opportunities, are at the heart of the widening access agenda and the committee felt that that this was a major issue to be addressed in this policy review.

5.2 The UK government has set an ambitious target of 50% participation of people under 30 years old in higher education by the end of the decade and the HE sector in Wales is keen to achieve this goal. The relevant betterwales.com target is additional 36,000 students to have been attracted into higher and further education by 2010.

5.3 In a speech in autumn 2001, Estelle Morris (UK Secretary of State for Education and Skills) stated that universities should not only be “the birthright of the middle classes” but should be available to young people of all social backgrounds. She went on to say that: “None of us can defend the position where five times as many young people from professional backgrounds enter higher education, compared with those from unskilled and manual backgrounds.” The committee endorses these sentiments and wishes to see this unacceptable situation corrected.

5.4 Applications to higher education institutions in Wales have fluctuated over the past few years and it is likely that some will struggle to contribute fully towards the ambitious target for expansion of the sector as a whole. HEIs in Wales have to compete with institutions in other parts of the UK and further afield.

5.5 There is a fluid cross-border movement of young people seeking to participate in higher education (see Annex 1, paragraph 1.12). The total number of full-time/sandwich UK-domiciled students from outside Wales pursuing their studies in Wales was 27,842 in 1999-2000. The number of students from Wales studying full-time/sandwich courses elsewhere in the UK was 20,888.

5.6 We recognise the great benefits that arise from cross-border movement by students and the importance to the higher education sector in Wales of attracting significant numbers of students from the rest of the UK and abroad. We want to see more students in higher education. We also want to see more students from Wales in higher education.

5.7 HEIs in Wales have been particularly successful in delivering the aims of the widening access agenda. HEW informed the committee that HEIs in Wales had outperformed those in England and Scotland in terms of widening access. However, both individual HEIs and ELWa - HEFCW stressed to us that this success could not be sustained without additional funding. The issue of funding is considered in Chapter 10.

The problems

5.8 We learnt from Universities Scotland that the main barriers to widening access were:

- Academic - failure to meet the required entry grade or key skills deficits in the student’s education;
- **Cultural** - no tradition of participation in HE either in immediate family, or local community;

- **Institutional** - some institutions historically accepted students only with traditional qualifications; and

- **Practical** - finance, childcare, caring responsibilities or geography.

5.9 HEW confirmed that these barriers apply equally in Wales. We feel it is important that key initiatives and policies are focused on overcoming them.

**Possible solutions**

5.10 We were told that whilst overall access to HE in Wales has been expanded substantially over recent years, involvement from communities with little tradition of participation in higher education has remained low. In recognising both the academic and cultural barriers experienced by students, we consider that action must be focused on primary and secondary schools to raise awareness of, and to encourage participation in, higher education. These measures would complement the continuing drive to further improve academic standards in schools. We consider that in order to promote widening access, HE institutions should undertake a range of activities, including:

- Further develop compact arrangements with schools;
- Attend school careers fairs, parents evenings and open days;
- Give presentations, including question and answer sessions, at individual schools;
- Bring pupils into HE institutions for summer schools, open days and for non-academic community activities; for example, sporting or cultural events; and
- Encourage parents, particularly from less advantaged areas, to attend open days at HE institutions with their children.

5.11 We learnt from Scotland that not all barriers to widening access could or should be overcome by institutions alone. But we feel that they do have a responsibility to help schools to broaden expectation at school age. The aspirations of young people to enter university are too easily blunted, or eliminated, through lack of relevant information and support.

5.12 We consider it is vitally important to attract young people from disadvantaged communities and it is equally imperative to retain them. We were told of excellent practice in Scotland and Wales. These included compacts and summer school courses for secondary school pupils and mature students. These:

- Provide opportunities for pupils who have just missed the required grades to demonstrate their ability and to strengthen their skills;
- Provide opportunities for mature students and those from non-traditional backgrounds to gain additional study skills and to familiarise themselves with campus life; and
- Raise awareness of higher education amongst pupils, especially those from areas or backgrounds with no tradition of participation in HE.
The University of Glamorgan piloted compacts in the early 1990s. Initially, seven local schools were involved. Since then, we were told that more than 70 schools were participating in such initiatives. The usefulness of compacts was demonstrated in a report by the Welsh Development Agency (WDA) entitled ‘Why is the compact approach important?’ We feel that all HEIs in Wales should be encouraged to establish similar programmes.

If the cluster model discussed in Chapter 9 is adopted as a result of this review, then this would afford an excellent opportunity for HEIs to undertake regional access initiatives in partnership with schools and FE institutions. We consider that this should be a mainstream function of the clusters and should be funded appropriately by ELWa - HEFCW. The clusters would be charged with developing widening access strategies appropriate to the circumstances within their region.

We consider that priority funding and support should be provided to establish pilot schemes in areas where participation in higher education is relatively low, focusing on primary and secondary schools.

We were told that ELWa - HEFCW required HEIs to submit strategies for widening access on an annual basis. Institutions were given guidance about the scope and timescale for the strategies, evaluation and targets but were left to shape the strategies in line with their individual missions. We heard that a number of strategies had been developed to widen access and to reduce student drop out. These targeted two principal groups; namely, the under 18s from under represented groups and mature students. Within these groups, there were specific issues to be tackled relating to students with disabilities and students from ethnic minorities.

Mature students required comprehensive information on support services and welfare issues. Mature students were more likely to be attracted if the timing of courses fitted in with childcare, transport and possibly job-sharing arrangements. In common with other groups, they required comprehensive advance information on the content and style of courses – plus accurate and timely information on costs and possible entitlement to financial support. Some institutions in Scotland offer mature entry schemes that facilitate entry based on a student’s potential by looking at his or her demonstrated ability to learn. We recommend such schemes to institutions in Wales.

The committee heard that community activities were geared to building confidence and bringing people into contact with higher education, either on campus or in the community. They also helped train people to work within their own communities. Some initiatives allowed people to follow a particular interest; for example, the extra-mural courses run by Cardiff University. They included ‘taster’ courses and some of these accrued credits towards the first year of a higher education course. These gave students an opportunity to test their ability to cope with a HE course and gave institutions an opportunity to assess the potential of applicants with non-standard qualifications. The underlying aim of these types of activity was to demystify higher education and make potential students realise that HE was attainable and enjoyable. The committee considers that HEIs should be encouraged to develop such initiatives.

HEIs felt it was also important to have good methods of student tracking to enable problems to be identified and addressed at an early stage. Students could be counselled and, where appropriate, they could be helped to withdraw in good order - leaving the door open for a future return to HE, if and when their personal circumstances became more conducive to
study. Some of the e learning packages were proving helpful in identifying students who were late in submitting assignments, so that tutors could contact students and take appropriate action at the earliest possible stage. We feel that these support mechanisms should be developed throughout all HEIs in Wales.

5.20 We feel that the following two factors are important in retaining students, particularly those from disadvantaged areas:

- Financial support – both student and institutional - making financial information easy to understand and accessible; providing short courses on how to manage your finances; providing bursaries; and
- Staff development - ensuring admissions tutors were sympathetic and flexible towards non-standard entry qualifications; providing training for staff to ensure student support recognised the pressures on and the needs of different groups of students.

Sharing good practice

5.21 HEW told the committee that sharing good practice was important in increasing HE participation from under-represented groups. Universities UK published a report in 1998 entitled ‘From Elitism to Inclusion’ that highlighted good practice. The report featured 14 selected case studies, including the University of Glamorgan, and highlighted the latter’s work in student tutoring, compact schemes with schools and its ‘Aiming for a College Education’ (ACE) days that have attracted sponsorship from industry. Other UK initiatives noted in the report included junior universities; pre-university summer schools (University of Dundee), inner-city community projects (Achievers in Excellence run by the University of Hull and commended by Lord Dearing when he appeared before the committee) and early outreach programmes. Another example is the ‘GOALS’ project in the West of Scotland, which focuses on 40 schools in the area with significantly lower than average participation in higher education. We strongly support the sharing of good practice and consider that HEW and ELWa - HEFCW should consider developing a programme of workshops for this purpose.

Collaboration between the HE and FE sectors

5.22 The aim of collaboration between the HE and FE sectors should be to widen access whilst reducing duplication of provision and competition amongst institutions. We feel that HE and FE institutions in Wales should build on the existing credit-based framework to ensure there was a seamless progression into HE. There should be well-defined exit and entry points, enabling students to return to HE with credit for their former study or to leave with a recognised achievement. We were told that HEW and Fforwm had been working jointly on a Credit and Qualification Framework to facilitate this progression. The National Assembly has supported the framework, which would be linked to the QAA’s qualifications framework for HE and the FE qualifications structure in Wales. This should be in place by April 2003.

5.23 In Scotland and Northern Ireland, the committee saw further evidence of strong links between the HE and FE sectors. The emphasis was on quality franchises at sub-degree level and good articulation agreements with HE. In Scotland, as in Wales, the two funding councils shared a joint executive and had set up joint task groups in areas such as widening participation. Scotland had 41,000 students studying HNC/HND at FE colleges and the Scottish Funding
Council was working with regional fora to co-ordinate strategies for study opportunities. The equivalent number in Wales is about 6,000 students.

5.24 When he appeared before the committee, Lord Dearing was particularly supportive of collaboration between the HE and FE sectors. He considered that expansion at sub-degree level should be primarily in FE institutions. However, NATFHE felt sub-degree work should not be ring-fenced in this way. NATFHE saw foundation degrees as the way forward for creating links between industry, FE and HE. Lord Dearing stated that many students from under-represented groups felt more comfortable at starting HE courses in local FE colleges. However, this worked well only if the FE colleges had close links with an HE institution - so that progression was smooth and academic quality was assured.

**Students with disabilities**

5.25 Many of the general comments made to the committee in relation to widening access applied equally to particular groups – for example, students with disabilities and learning difficulties. However, the committee learnt there were additional issues that were of particular concern to these groups.

5.26 We were told that students with disabilities were currently under-represented in HE. In 1999-2000, nearly 5% of first-year students in Wales were known to have a disability compared with about 4% for all UK HE institutions but 12% for the total population in Wales aged between 18 and 30. Disabled people are seven times as likely to be unemployed as their non-disabled peers. We feel that HE could open up employment to students with disabilities and give them the opportunity to reach their full potential.

5.27 The Disability Rights Commission, Skill and RNIB Cymru eloquently explained the needs of students with disabilities. They included the need for specialist equipment; for equipping buildings for physical access; provision of volunteer note-takers for deaf students and for helpers for students with mobility problems. Disabled students required orientation and mobility tuition prior to enrolment, to help them gain access to campus – including public transport routes. They needed timely provision of materials in a format they can access. We feel that HEIs should devise practical measures to address these issues.

5.28 The committee learnt that disabled students needed more detailed information to help them to select the most appropriate course of study. For example:

- Could they participate in work placements and field courses?
- Was the campus suitable for them?
- Did the university have the specialist equipment they needed?

5.29 The committee feels that HEIs should have a staff development programme to foster understanding of the problems faced by students with particular disabilities. For example, there should be timely provision of material in appropriate formats. It was estimated that half of students with disabilities were not receiving material in a format they could access and consequently they spent valuable time transcribing material for themselves. Others found that, though they received transcribed material, it was not available at the same time as the
conventional material and this put them at a disadvantage compared with their able-bodied peers.

5.30 The committee learnt that advances in ICT were helping students with disabilities to gain access to higher education, either through developments which facilitated the provision of material - such as voice recognition software, or in enabling them to study more easily from home - using elearning and the Internet. We consider such innovations should be further developed.

5.31 The committee was told that good practice included the prior assessment of students’ requirements and pre-course orientation training either through the student services departments of individual HEIs, or specialist access centres such as the one at Bangor. The RNIB suggested that an HE Disability Access Agency for Wales should be formed to embrace student entitlement, practical support and other issues relating to access for students with disabilities. In addition, they felt it would be helpful to have specially designated staff at HEIs to support students with disabilities, so that they had one point of contact and did not have to keep explaining their needs. We consider that HEIs should adopt this proposal.

5.32 HEIs stated that providing infrastructure for students with disabilities or learning difficulties presented them with a funding problem. They had to adapt campuses and provide students with a range of specialist equipment that needed to be at least as good as the equipment they used at home. The committee was told that some £56 million had been made available to provide better physical access in the HE sector in England. No equivalent funding is provided in Wales, although capital grant to ELWa - HEFCW is already pro rata higher than that to Higher Education Funding Council for England (HEFCE).

5.33 The UK Government is currently carrying out a consultation exercise on draft regulations under the Disability Discrimination Act 1995, as amended by the Special Educational Needs and Disability Act 2001. On the implementation of this legislation, bodies responsible for the provision of education and other related services would be required not to discriminate against disabled students and other disabled people. The principle behind this legislation is that disabled people should have the same opportunities as non-disabled people to benefit from whatever education or other related provision is available.

5.34 The new duties are being introduced in three stages:

- From 1 September 2002 the main new sections of the Act will be implemented. From this date it will be unlawful to discriminate against disabled people or students by treating them less favourably than others. In addition, responsible bodies will be required to provide certain types of reasonable adjustments to provision where disabled students or other disabled people might otherwise be substantially disadvantaged;

- From 1 September 2003 responsible bodies will also be required to make reasonable adjustments that involve the provision of auxiliary aids and services; and

- From 1 September 2005 responsible bodies will be required to make reasonable adjustments to physical features of premises where these put disabled people or students at a substantial disadvantage.
5.35 The committee welcomes this legislation and hopes that HEIs will be given adequate resources to fully comply with these new statutory obligations.

**Lifelong learning**

5.36 The committee feels that, in fostering a culture of lifelong learning, the HE sector should be flexible and responsive to changing patterns of study. Students may need to move in and out of Higher Education as their needs and individual circumstances change. They may wish to study part-time whilst at work; to attend short courses to boost their existing knowledge in areas connected to their work; or to access new knowledge that will help them to move into new fields. HEW stated that the target must be to help people learn what they want, where they want, when they want using a variety of methods and technologies - making the best use of a flexible system of entry/exit and set within a credit-based framework - supported by flexible approaches to funding.

5.37 The committee feels that lifelong learning initiatives are increasingly important because they attract people into higher education, provide learners with new skills and foster a culture of learning that is not confined to one age group. The committee learnt that many HEIs were involved in community initiatives - for example, the Community University of North Wales; the Community University of the Valleys; and community courses offered by Cardiff University or the University of Glamorgan. These HEIs provided courses that were directed towards specific groups - such as women returners. There were also Associate Student schemes, which gave people a taste of higher education.

**Overseas recruitment**

5.38 One of the aims in betterwales.com was "to raise the international profile and influence of Wales and to establish it as a first class place ... to study." A specific target linked to this aim was to increase by 3,000 the number of full fee paying overseas students studying in Wales by March 2003. At present there are about 5,000 such students in Wales.

5.39 The committee feels that, in order for the higher education sector in Wales to play its part in the global market, it should compete for students internationally by promulgating and strengthening its international reputation and by developing distance learning material of high quality. In order to strengthen its international reputation, it is essential to maintain a strong research base underpinning high quality teaching and so attracting well-qualified staff. It is also essential to have rigorous and internationally recognised quality assurance mechanisms.

5.40 The committee was told that there was already strong competition from corporate universities and from international consortia offering e learning provision. In its submission to the committee, HEW stated "this is a tough market with many global competitors, who are already well established and who have made very significant investments". They also commented that "the quality of learning and teaching (in Wales) must be measured at a UK level to ensure a proper appreciation of the quality provision in Wales".

5.41 The committee feels that there is scope to market the distinctive character of Wales. Anecdotal evidence suggested that, whereas Scotland and Northern Ireland were recognised by overseas students as distinctive regions of the UK, this recognition did not generally extend to Wales. To rectify this perception, the committee feels that the HE sector needs to:
• Raise the profile of Wales;
• Promote the distinctiveness of the region both culturally and geographically;
• Concentrate on its areas of excellence and niche markets; and
• Ensure good welfare provision for its international students.

5.42 The success of Scotland was cited as a good model to follow. ‘Scottish Knowledge’ marketed distance learning for Scotland and Scottish Education and Training recruited overseas students. Several contributors, including the HEIs themselves, commented on the unnecessary and unproductive internal competition amongst HEIs in Wales. In contrast, Scotland was ‘seeking to promote more collaboration for Scotland - encouraging institutions to work together in the interests of students and the wider economy’ (quote from SHEFC guidance on funding for 2001-02).

5.43 The British Council advocated forming a marketing consortium for HEIs in Wales that would identify centres of excellence in Wales, target niche markets overseas and build up overseas alumni organisations. The British Council provides the secretariat for Wales Higher Education International Liaison Association (WHEILA), which was formed in 1998 to help co-ordinate and add weight to the individual and international marketing activities of HEIs in Wales. We were told that research by the British Council in 1997 indicated that overseas students studying in Wales funded some 2,500 jobs in Wales.

5.44 The committee was informed that there were plans to expand WHEILA’s activities to help HEIs achieve the ambitious overseas recruitment target referred to above. This would require substantial additional funding; some £300,000. The committee feels this would be a worthwhile investment, not just in terms of widening access but also in enriching the culture of life in Wales - and forging international links and goodwill.

Resource implications

5.45 We were told that students from non-traditional HE backgrounds needed more support to help them to fulfil their potential. This might take the form of providing additional welfare support (childcare facilities or counselling) or support for their academic work (workshops on study skills, subject specific support or drop-in centres). However, as the NUS pointed out, support services were often the first areas to be cut when resources were stretched.

5.46 The committee was told that resources were being put into staff development to enable staff to learn how to make effective use of new technology in general and, in particular, to respond to the differing needs of students. They were also providing additional support facilities and better tracking of students’ progress. ELWa - HEFCW acknowledged that this put pressure on resources and represented a significant cost to the HEIs. Most HEIs argued that widening access initiatives needed long-term funding to facilitate a more strategic approach. The issue of funding is addressed in Chapter 10.

Recommendations

1. That ELWa - HEFCW should co-ordinate widening access strategies across the sector, to disseminate best practice, to avoid duplication and, to introduce a new component in its funding methodology to strongly encourage widening access;
2. That HEIs should further develop existing compact and other partnerships with schools and local communities across Wales, to raise awareness and promote HE opportunities and to increase participation;

3. That HEIs should consider introducing mature entry schemes, similar to those in Scotland;

4. That ELWa - HEFCW should encourage further collaboration between the HE and FE sectors in Wales;

5. That ELWa - HEFCW should work with LEAs and HEIs to ensure that the needs of students with disabilities and learning difficulties are assessed in a timely manner;

6. That ELWa - HEFCW should encourage HEIs to comply with the QAA codes of practice relating to widening access and students with disabilities and learning difficulties;

7. That HEIs should translate into practice the Disability Statements required under the Disability Discrimination Act;

8. That ELWa - HEFCW should require HEIs to produce plans for fostering a lifelong learning culture in Wales; and

9. That ELWa - HEFCW should continue to work closely with, and provide funding for, WHEILA to co-ordinate and develop the recruitment of overseas students.

**Link recommendations:**

- That ELWa - HEFCW should provide funding for all-Wales ICT development in higher education, with realistic and measurable milestones set by the National Assembly; in particular, for widening access and extending Welsh-medium provision. (Chapter 3)

- That ELWa - HEFCW should facilitate a teaching-led cluster based on the University of Glamorgan, UWIC and UWCN to facilitate widening access, e learning and provision of all disciplines across Wales through a network of FE franchise colleges. This should also be with a view to possible merger. (Chapter 9)

- That the National Assembly, with the Wales Office, should pursue implementation of the recommendations contained in the Rees Report on Student Hardship; in particular, the Learner Maintenance Bursaries and Financial Contingency Funds. (Chapter 10)

- That ELWa - HEFCW should commission further investigation into the particular needs of students with disabilities and learning difficulties and ask the HE sector to estimate what additional funding is needed to meet its statutory responsibilities for equal opportunities – and to produce a programme of measures to achieve this. (Chapter 10)
Chapter 6

Economic, social and cultural regeneration
Chapter 6

Economic, social and cultural regeneration

Background

6.1 The Committee feels that these quotations reflect the economic, social and cultural importance of universities in Wales:

"Universities everywhere are emerging as our economic powerhouses in an age where innovation and technology are crucial factors for economic success." (Sir David Rowe-Beddoe, Lecture, 1 November 2000 quoted by ELWa - HEFCW)

"Universities are at once the drivers of change and economic prosperity and an essential influence on the nature of society and the quality of its thinking." (Professor Robin Williams, HEW, 4 April 2001)

"They (universities) are the engine room of the economy." (Lord Dearing, 17 May 2001)

6.2 The committee was asked to look at higher education in Wales in terms of how it ought to serve the country’s needs and then to develop a long-term strategy for optimising the sector’s contribution. In particular it should address the economic mission of higher education institutions and the commercial exploitation of knowledge.

6.3 We acknowledge that HEIs have made an essential contribution to the economy of Wales, though this has not always been well publicised or indeed recognised by the general public. As mentioned in Chapter 1, the HE sector enriches Wales in four ways:

- By nurturing the intellect and fostering a love of learning for its own sake;
- As a major business and employer in its own right (employing over 23,000 people and generating about £1 billion per year for the economy of Wales);
- By providing students with the skills required by industry and business; and
- By establishing links with industry to develop and to exploit the knowledge gained from research projects, called knowledge transfer.

6.4 HEIs undertake basic and applied research that benefits local and national companies in the private and public sectors. They offer training, advice and consultancy services to large organisations and to small and medium enterprises (SMEs). They provide a pool of skilled graduates for business/industry and lifelong learning opportunities for the local population. They also provide major cultural facilities in sport, the arts and leisure that again benefit the wider community. Finally, they contribute to the health and well being of the population through the education and training of medical staff, health education programmes and medical research.

6.5 The committee considers that HE must not be too parochial in its approach to regeneration. By serving the needs of the global economy, the needs of particular regions of
Wales can also be met. Representatives of North East Wales Institute of Higher Education (NEWI), for example, pointed out that in a survey of local businesses over 40% were multi-national. The WDA stated that the presence of HEIs in particular regions in Wales had been crucial in attracting inward investment.

The role of higher education in economic regeneration

6.6 The WDA’s view was that HE must be “a primary ingredient in the generation, transfer, application and commercialisation of knowledge and access to specialist facilities”. HE in Wales was already big business in its own right and a major source of workforce skills. However, we were told that Wales was falling behind the rest of the UK in standard knowledge economy indicators; namely, commercial research or new product development. In particular, there was a need to bring this expertise to the small and medium enterprise (SME) sector, which was an essential element in the Welsh economy. The Federation of Small Businesses (FSB) noted that 64% of innovative ideas came from small firms; and those firms employing fewer than 50 people had created 65% of the new jobs in Wales in the recent past.

6.7 The committee was told that there was a need for high quality advanced research, to drive economic regeneration and to build a bridge between HE research and small enterprises. We learnt that, although there were many existing schemes to regenerate the economy, they needed better co-ordination and longer term funding in order to be more effective. Such schemes needed to engage partners from outside HE, including the WDA and business organisations.

6.8 Sir David Rowe-Beddoe (recently retired Chairman of the WDA) stated that HE in Wales needed to build on its existing schemes and to develop structures and collaborations to provide a pan-Wales approach, as opposed to its present fragmented contribution to economic development. It needed to be more proactive in researching, analysing and meeting the needs of business and in encouraging a culture where staff wanted to become involved in wealth creation - and were suitably rewarded for their involvement.

6.9 HEW listed many existing instances of knowledge transfer including Teaching Company Schemes, Centres of Expertise, the Wales Spin-Out programme, consultancy services to SMEs such as the HELP Wales initiative and the Training and Consultancy Service schemes. The FSB analysed many of the above schemes and concluded that many of them were too small scale to make an appreciable difference. The plethora of schemes meant the picture was confusing for small firms who did not know enough about them to be able to assess which scheme could be best for them. The FSB also felt some schemes were focused too much on the needs of the education providers rather than to the needs of the business community.

6.10 The committee feels that HEW, possibly in collaboration with ELWa - HEFCW and the WDA, should undertake a review of these various initiatives to address the above concerns and to produce guidance on best practice.

Third mission

6.11 As part of the review, the Committee received a submission from both the then Economic Development Minister (Michael German AM) and the Economic Development Committee (EDC). The Economic Development Minister, in his personal submission to the Committee stated that
“All institutions should have a strong economic development ‘third mission’ strategy, whatever the associated teaching and research policies of the individual institution.”

6.12 The Minister emphasised that the third mission strategy would clearly be different for a teaching university, where the focus could possibly be on technology transfer and entrepreneurial education. As compared with that for a research university, which might well be able to facilitate the creation of radically new high technology business clusters. As an example, the Minister referred to biotechnology at Dundee University. The Minister stated that this third mission should be strongly supported by a distinct and identifiable funding stream.

6.13 The EDC also emphasised the importance of exploring and building upon ‘third mission’ economic development activities. The Committee referred to the role played by Stanford University in the development of Silicon Valley in the USA. It was felt by the EDC that ‘third mission’ strategy would have to incorporate the FE sector as well as the HE sector.

6.14 All HEIs in responding to the consultation questionnaire accepted the importance of their role in contributing to regeneration activities. However, they made a powerful plea for a third funding stream to support these activities, so that they would not have to divert resources away from the core activities of teaching and research. We were told that there was still not a culture in HEIs to reward and value third mission activity in the same way as basic research was recognised.

6.15 The latter point was supported by the FSB, which proposed a Business Generation Assessment - complementary to the RAE - which would reward knowledge transfer activities and academic interaction with business/industry. In addition to this proposal, FSB members suggested a stream of funding specifically designed to establish teams to link HE and business; for example, through student start-up schemes. Other suggestions included a revamped Business Connect model, which could separate enquiries by firms needing basic advice from those with the potential to grow - who would benefit from a package of dedicated resources. Another suggestion made to the committee was to operate a network along the lines of Germany’s Steinbeis Network, which would create HE centres to work specifically with industry.

6.16 The committee considers that the Assembly Minister should provide a third mission funding scheme, set against specific targets to promote regeneration activities.

Commercial exploitation

6.17 HEIs were concerned that, in exploiting the commercial value of their research and in business start-up ventures, they did not necessarily have the expertise of commercial firms in such areas as risk analysis, intellectual property and moral rights. We were told that the prevailing culture in HE did not encourage risk taking. HEIs needed expert advice in these areas. University managers and governors needed a staff development programme to enable them to decide on how to place safeguards or limits on commercial activities - whilst at the same time encouraging entrepreneurship and permitting HEIs the flexibility to develop commercially.

6.18 The EDC suggested that there was a need for improvements in the way that pure research feeds into industry. They pointed out that it was often pure research, not just commercial research, that produced industrial spin-offs. EDC felt that there was a need to provide the framework and funding to ensure that these ideas could be developed commercially. EDC stated
that a mix of both commercial and pure research was necessary and would provide a solid base for the link between HE and economic regeneration.

6.19 We were told that specialist units, either within or without the institution - staffed by business people with appropriate authority - could help maximise commercialisation, both for the benefit for the surrounding economy and the institution itself. The Knowledge Exploitation Fund provides a strong opportunity for commercialisation. We feel it should be matched with funding to kick start entrepreneurial collaboration which is fundamental for maximising success.

**Skill shortages**

6.20 The WDA spoke of the urgent need for HE in Wales to develop graduates with managerial and entrepreneurial skills. Initiatives such as the Knowledge Exploitation Fund, funded by ELWa - HEFCW, had already been introduced to address these issues but more needed to be done.

6.21 HEW agreed that Wales badly needed innovators and entrepreneurs and that HE had a part to play in developing high level skills. Examples of current HE activity included incubator units - such as the Swansea Technium project, Cardiff University’s Innovation Centre and the University of Glamorgan’s Graduate Teleworking Initiative project. These activities were designed to encourage entrepreneurship and to provide support for SMEs. The Confederation of British Industry (CBI) proposed a targeted approach to funding to develop teaching in shortage subject areas.

6.22 Fforwm suggested that local FE colleges were more in tune with the needs of local employers and that partnerships between HE, FE and business/industry could best serve the skills needs of Wales.

6.23 We consider that a skills audit might be the best step forward, on the lines of the Northern Ireland Assembly’s inquiry into lifelong learning and the skill requirements of the region. Its terms of reference emphasised:

- The role of HE and FE in meeting the skills needs of the region;
- The need to consider the findings of the Training and Employment Agency’s skills audit;
- The need to ensure that retraining met the demands of the restructuring of industry; and
- The extent to which research was facilitating commercial spin-offs.

6.24 The committee supports the Assembly Minister’s recent response to the report of the Skills Task Force, which was published in October 2000. The Assembly Minister has already adopted some of the key recommendations, for example by removing the upper age limit for those commencing Modern Apprenticeships and putting into place a skills development programme for adults. A key attraction for investors in the economy of Wales is the availability of skilled labour, including graduates who have the education, skill levels and motivation to succeed. We want to retain skilled graduates in Wales, and attract back those who have left, through providing opportunities for high quality jobs. Our goal of achieving a prosperous Welsh economy relies on retaining these skills in Wales.
Links with the business sector

6.25 Many HEIs stated how important were their links with representatives from business and industry - whether it is in course development, the use of real case studies, or offering work placements and sandwich routes. Disciplines such as medicine and nursing could only be followed via a vocational route. We learnt that there were few degree schemes in engineering, science, law or business that did not incorporate a strong work-based element.

6.26 HEIs pointed to the good track record of the HE sector in responding to the demands for embedding transferable skills into the curriculum, to develop graduates who were adaptable and innovative. They had to set out the vocational aspect of their courses in Work Experience and Employability Plans submitted annually to ELWa - HEFCW. The Economic Development Minister stated that the development of appropriate vocationally relevant programmes needed to be taken forward in partnership between educational institutions, ELWa, and the WDA - with appropriate input from the proposed new Economic Policy Board.

6.27 We feel that the HE sector should strengthen its existing links with employers, to ensure that courses are relevant, up-to-date and reflect market demand. These partnerships could encompass resource sharing - personnel, data and facilities - job shadowing and greater involvement with live projects. We feel it is equally important that employers clearly articulate what specific skills and experience they are looking for in a graduate.

6.28 We were told that HEIs had to balance the requirements of employers and professional bodies with the educational philosophy behind the courses. NATFHE stated "There may well be a potential conflict between academic needs in terms of the curriculum and the needs of employers." Some respondents went further and suggested that HE should not regard preparing people for work as its primary role. However, most respondents considered that HE in Wales did have a major role to play in contributing to the economic regeneration of Wales. The committee concurs with this view.

6.29 To achieve this aim, we feel that a strong vocational framework could provide the means to overcome the skill bottleneck referred to by HEW. This needs to attain critical mass in order to deliver a diverse, cost-effective programme of courses. We were told that the basis for such a framework already exists - through the activities of the University of Glamorgan, UWIC and UWCN. We feel that this could be developed into a vocational cluster that has an all-Wales coordinating role, drawing in FE colleges and the appropriate HEIs in the various regions.

6.30 We consider that Scotland provides a good example of how HEIs are linking with other organisations, to respond to initiatives that will benefit the country as a whole. For example, we were told of a working group - formed by SHEFC, Universities Scotland and Scottish Enterprise – that was set up to examine how to achieve greater harmony in policies for commercialisation and innovation.

Social and cultural regeneration

6.31 Regeneration activities in HE are not confined to technology alone. Professor Robin Williams of HEW referred to the role of universities, not only in scientific and technological advances but also in stimulating the ideas and imagination in science, the humanities and the
arts. As the National Assembly’s recent review of arts and culture had recognised “Culture is at the heart of our national enterprise” and Welsh HEIs are acutely conscious of their contribution to the cultural life of Wales. They offer courses in drama, film, music, art, Welsh language; facilities such as sports centres, learning resource centres, theatres and galleries; and finally extra-mural and community courses.

6.32 Institutions were concerned that, whilst they were aware of the importance of continuing these activities they could not be expected to do so from the traditional HE budget. In recognising this contribution to cultural enrichment, HEW proposed that “Funding and other policies for higher education should give proper weight to the needs of the individual, alongside those of the economy, the future labour market and the nation in general”.

6.33 The committee received representation from the Arts and Humanities Research Board (AHRB), which funds postgraduate and advanced research in these disciplines, in England and Wales. The AHRB was established in 1998, in partial response to one of the recommendations in the Dearing Report. We were told that applicants from Wales were more successful in obtaining grants than were their peers in England, on a pro rata comparison. Even so, the Board grants awards to only about a third of those applying and about half of the applicants for research studentships that were rejected had a first class honours degree. We learnt that the AHRB was seeking to be upgraded to a Research Council - as recommended by Lord Dearing - to put the funding and planning of the arts and humanities on a par with that for science and engineering. The committee supports the AHRB in this aim and suggests that the Assembly Minister should facilitate this upgrading.

6.34 Universities have a huge influence on the lives of students beyond the lecture theatre and classrooms. They can promote healthy lifestyles such as encouraging people to participate in sport and providing healthy eating options in restaurants. As major employers, HEI’s in Wales have substantial health and safety responsibilities to their staff. They can do much to promote a healthy working environment.

Recommendations

1. That the Assembly Minister should provide a ‘third mission’ funding stream set against specific targets to promote regeneration activities. This funding stream should be strategic and more long-term focused than has historically been the case;

2. That ELWa - HEFCW and WDA should work with the HE sector to develop an all-Wales programme for the commercialisation of knowledge including the provision of advice on risk analysis and intellectual property rights (IPR);

3. That HEW, in collaboration with ELWa - HEFCW and the WDA, should carry out a review of current HE knowledge transfer schemes with a view to producing guidance on best practice;

4. That ELWa - HEFCW should provide funding to encourage entrepreneurial collaboration between HEIs and the business community;

5. That the four ELWa Regional Committees should ensure that the skill requirements of Wales are clearly communicated to HEIs;
6. Taking into account the recommendations of the Skills Task Force, the Assembly Minister should instruct ELWa (National Council and HEFCW) to produce a national skills strategy;

7. That HEIs should strengthen their existing links with employers, to ensure that courses are relevant, up-to-date and reflect market demand;

8. That the Assembly Minister, through ELWa - HEFCW, should provide long-term, structured support for HEIs to contribute to the economic regeneration of Wales in its widest form;

9. That ELWa - HEFCW should support the development of a strong vocational HE framework to overcome the skills ‘bottleneck’ currently experienced in Wales. This should be led by a cluster comprising Glamorgan, UWIC and UWCN, drawing in FE colleges and the appropriate HEIs in the various regions;

10. That the Assembly Minister should support the Arts and Humanities Research Board in its aim to be upgraded to a research council; and

11. That each HEI in Wales should be required to maintain a strategy to promote the health and wellbeing of students and employees.

**Link recommendation:**

- That ELWa - HEFCW and HEW should produce a strategy for enterprise and entrepreneurship, identifying the advice and support mechanisms needed and taking account of the Entrepreneurship Action Plan. (Chapter 10)
Chapter 7

Governance
Chapter 7

Governance

Background

7.1 The committee considers that the following extract from evidence submitted by the University of Wales, Aberystwyth is pertinent to the issue of governance:

"Ensuring the satisfactory financial health of an institution is not an issue of accountability; rather, it is an issue of efficiency and good management of long-term planning."

7.2 During the course of the review, the committee heard evidence of how the sector is governed and how it demonstrated its accountability for public money and for the quality of its provision.

7.3 HEIs are independent corporate bodies accountable to the Assembly through a governing body. The HE sector accepts it has a duty to ensure that, in receiving a large proportion of its funding from the public purse, it is spending this public money effectively and transparently. This means it has to account both for the quality of its provision and the financial probity of its institutions. In order to demonstrate these two aspects, HEIs are required to provide financial, statistical and qualitative returns to a range of bodies:

- ELWa - HEFCW on student numbers and on how HE has spent public money;
- The Quality Assurance Agency (QAA) on the quality of its subject teaching and the efficacy of the institutions’ quality assurance mechanisms;
- The Higher Education Statistics Agency (HESA) on the composition of the student body;
- Professional bodies on the content and fitness of its courses to achieve professional accreditation; and
- The European Union on the disbursement of funding obtained under European initiatives.

7.4 The Committee gathered evidence on the role of the governing bodies of HEIs in respect of the accountability of institutions. Professor Mike Shattock of the Committee of University Chairmen (CUC) listed their duties as:

- Preserving appropriate standards of conduct;
- Developing institutional strategy; and
- Taking difficult decisions due to falling resources and student numbers.

7.5 HEIs accept that, although they are autonomous institutions, they nevertheless depend to varying degrees on public funding. It is therefore only right that they should account for this
funding. However, the requirements of audit are becoming burdensome, particularly for small institutions and for the governors themselves.

7.6 The public needs to have confidence that public money is being spent effectively and is resulting in awards that have national and international currency. However, there is a perception, echoed in the educational press, that the many, sometimes conflicting, demands of quality inspections are becoming an expensive and unacceptable burden on higher education. Professor Shattock made the comment that quality was not delivered through bureaucracy.

7.7 HEIs also have a responsibility to their students to ensure their procedures are transparent and fair. Institutions often provide students with a charter setting out the respective obligations of students and the HEI itself and to make clear what avenues are open to them if they wish to make complaints. At present there are different systems in pre and post 1992 institutions for dealing with complaints, and we consider that a more uniform system, whether based on a Visitor or on an ombudsman, should be established so that students receive equality of treatment.

The powers of the Assembly in relation to higher education

7.8 The Assembly Minister has set out the powers of the Assembly regarding HE in a written statement to the University of Wales Court. A summary of these powers is at Annex 7.

- It makes funds available to HE, via ELWa – HEFCW, who disperse funding to the individual institutions based on student numbers, research and initiatives reflecting the Assembly’s policy priorities;
- The Assembly can impose conditions on the sector (or on categories of institutions) but not on individual HEIs;
- The Assembly has no statutory powers in respect of teaching quality assessment or institutional review but may choose to make its views known to ELWa - HEFCW;
- The Assembly expects high standards of governance in HEIs and relies on ELWa - HEFCW to ensure sound financial and other control systems are in place via its audit service;
- Any allegations of mismanagement in an institution received by the Assembly would be passed to ELWa - HEFCW;
- The Assembly has no statutory powers in respect of changes of institutional title but the Privy Council would consult the Assembly before making a decision;
- This applies also to applications for degree awarding powers;
- The Assembly can impose a condition on its grant to ELWa – HEFCW; for example in relation to top up fees; and
- The Assembly provides Student Hardship Funds to be administered through ELWa - HEFCW.
Issues emerging

7.9 We were told that governing bodies no longer simply receive and approve recommendations put to them by their Principal or Vice-Chancellor but are often called upon to discuss, debate and choose between difficult alternative ways forward. It is therefore important that governing bodies have advice and training on their role and that they review their own effectiveness. Indeed they are now required to review their own performance and the outcomes of the reviews undertaken in 2000-2001 include:

- Taking steps to improve conduct of business;
- Making better arrangements for the induction of new members;
- Introducing better arrangements for strategy formulation;
- Improving communication with senates/academic boards; and
- Improving the information flow to governors.

7.10 Professor Shattock referred the Committee to the guidelines on governance issued by CUC and to their ‘governor development programme’ (Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland – revised in April 2001). CUC held the view that the autonomy of HEIs should be respected and those guidelines should be based on the premise of providing guidance not prescription. He felt there was, however, a role for ELWa - HEFCW to encourage HEIs to follow the guidelines.

7.11 Professor Shattock stressed that good governance was a partnership between governors and the academic community. A mix of abilities and experience was needed in a governing body. Lay governors with experience of business and industry would have expertise in areas such as risk management and financial control whereas academic members understood the complexities of QAA, RAE, and the expectations on HE relating to policies such as widening access. He noted that the involvement of lay members was not the norm in continental Europe where state involvement in HE was more common.

7.12 We were told that there had to be a balance in the size of governing bodies. They needed to be large enough to provide a range of expertise but small enough to be effective. Recruiting lay members with up-to-date knowledge but with sufficient time to devote to the role was a problem. Professor Shattock approved the practice of recruiting some members from outside Wales to provide breadth of experience.

7.13 HEW agreed that governing bodies needed lay members who were at the cutting-edge of their subjects. However, because of the level of commitment required, those most likely to have time to devote to the role were often retired and consequently were not so familiar with the latest developments. There was some evidence that the growing workload associated with the role deterred some able people from becoming governors.

7.14 The requirement to audit their own performance meant that governors were becoming more involved in ‘hands on monitoring’ which could lead to a blurring of the lines of responsibility. “The boundary between ‘governance’ and ‘government’ is a fine one” (Professor Keith Robbins, HEW, 9 May 2001).
7.15 Professor Robbins noted that, as governors understandably focused on their own institutions, it was hard for them to take an overall view of planning for the HE sector in Wales. We feel that the Assembly Minister should clarify the role of the board of governors in an autonomous HEI, with regard to the National Assembly.

7.16 Another aspect of accountability that HEIs raised was that associated with the commercialisation of research. With universities becoming increasingly involved in economic generation activities, there were risks attached to this as with all commercial ventures. There was concern that institutions might become averse to taking risks because of accountability issues and that this could stifle creativity. Some commercial ventures would inevitably fail but this had to be properly managed and the potential risks needed to be weighed against possible benefits.

7.17 In order to achieve this balance, there was an acceptance that HEIs and their governing bodies would greatly benefit from specialist advice on matters such as intellectual property rights and risk analysis.

7.18 Concern was expressed that the need for transparency and accountability should not be allowed to erode the autonomy of institutions or prevent them from achieving their diverse missions. In their evidence to the committee, the Chairmen of Higher Education Institutions in Wales reaffirmed the statement made in Lord Dearing's report that "Institutional autonomy should be respected. Whilst we take it as axiomatic that government will set the policy framework for higher education nationally, we equally take it as axiomatic that the strategic direction and management of individual institutions should be vested wholly in the governance and management structure of autonomous universities and colleges."

7.19 Professor Shattock also raised the issue of the different levels of bureaucracy within HE, particularly in relation to federal structures and particularly in relation to the ability to react quickly to competition or new situations. He also felt that for small institutions, the overheads of having another level of bureaucracy imposed on them from outside were an unnecessary burden. He queried whether the federal structure of the University of Wales added any significant value to those institutions linked to it. He felt that de-layering represented an important tool "for freeing up resources and releasing initiatives."

7.20 Professor Shattock also suggested that the structure, which ELWa - HEFCW had inherited from the 1992 legislation, might not be the most effective for Wales. He stated "In a system comprising so many relatively small institutions, a regime that concentrated on offering support and enhancement, but which had the power to prevent unnecessary and costly duplication might have greater long term value - as opposed to a regime which historically was intended to encourage inter-institutional competition and was set up to act as a funding and not a planning body."

7.21 Based on evidence from HEIs, we consider that there is a need to improve the management expertise of senior managers in the HE sector, to respond positively to the immense cultural change challenges facing HEIs in Wales over the next decade.
Recommendations

1. That ELWa - HEFCW should carry out a thorough review of all aspects of accountability and report back to the Assembly Minister on whether the burden of accountability could be reduced;

2. That the Assembly Minister should instruct ELWa - HEFCW to provide guidance on how a better balance could be struck between the requirement that HEIs account transparently for their expenditure of public money and the desirability of more freedom to innovate and take risks;

3. That ELWa - HEFCW should encourage HEW to carry out a thorough review of the management expertise within the sector and establish a staff training and development programme for senior managers;

4. That the Assembly Minister should clarify the role of the Board of Governors in an autonomous HEI with regard to the National Assembly;

5. That ELWa - HEFCW should require individual HEIs in Wales to follow the guidelines for governance, as set out in the Committee of University Chairmen’s Guide for Members of Governing Bodies in England, Wales and Northern Ireland; and

6. That ELWa - HEFCW should encourage HEW to carry out a review of the complaints procedures in HEIs in Wales, with a view to establishing a more uniform system, so that students receive equality of treatment.
Chapter 8

Quality

Background

8.1 We feel it is important that the general public, employers and students have confidence that the degrees issued by individual institutions are of comparable standard both within the UK and overseas. "The fundamental objective of quality assurance relates to the academic experience of our students and a commonality of standards in the awards given by our universities" (Professor Scott, HEW, 17 May 2001). HEIs in Wales are assessed by the same quality assurance procedures as the rest of the UK by the Quality Assurance Agency.

8.2 Responsibility for the assurance of quality of provision in Wales lies with ELWa - HEFCW, who contract this function to QAA. In their presentation to the committee, QAA stated that the purpose of quality assurance was to demonstrate accountability; to generate information to assist students and employers; and to promote the enhancement of quality and standards. To help achieve these aims, the QAA had recently introduced a number of quality measures. These included new assessment arrangements, codes of practice for the sector; a qualifications framework, benchmark statements and programme specifications.

Issues relating to quality

8.3 We learnt that, although the quality assurance system is UK-wide, there are small differences between Wales and England. For example, the scoring systems for subject review are different. This has led to misconceptions when comparing institutional positions in the UK league tables. It remains to be seen if the proposed lighter touch in quality inspection, championed by the Secretary of State for Education in England, can be applied effectively to Wales. Equally HEIs in Wales question how the proposal to sample subjects will work fairly in Wales. The fact that there are only 13 HEIs in Wales means some subjects may be taught in only one institution, so sampling is impracticable.

8.4 The QAA agreed that it had to be sensitive to the requirements of devolved government and to issues surrounding bilingualism. We were informed about an outstanding issue between QAA and the Welsh Language Board about the most appropriate method of ensuring academic standards whilst promoting student choice in the language of assessment.

8.5 Professor Mike Scott, on behalf of HEW posed a number of questions about quality from the Welsh perspective. These related to mapping the new subject review system to Wales; the viability of sampling; the relationship between QAA, the University of Wales and individual institutions.

The role of the University of Wales

8.6 We were told that the status and role of the University of Wales further complicates the position in Wales. The majority of HEIs are part of the federal University of Wales - the University of Glamorgan and WCMD being the exceptions. Institutions are assessed independently by the QAA who also review quality assurance procedures in the University of
Wales as a whole. Some of the institutions within the University of Wales have their own degree awarding powers (which are held in abeyance) and hold the title of university in their own right. Others do not. This leads to confusion about the status of individual institutions.

8.7 Mr John Randall, (then Chief Executive of the QAA) explained that:

- It was the assumption that any new university would be created by developing an established institution;
- Following the Further and Higher Education Act of 1992, it was assumed that university title would normally be granted only in conjunction with the attainment of taught and research degree awarding powers;
- The QAA recognised that an institution, which is part of a federal university, might wish to acquire research degree awarding powers but would then put them in abeyance. QAA would not reject an application for research degree awarding powers, from such an institution, solely on the grounds that it was not applying also for independent university status.

8.8 Mr Randall felt the procedure of the University of Wales in requiring constituent institutions to apply for taught and research degree awarding powers in their own right was appropriate. Constituent institutions of University of Wales had wide-ranging, devolved academic powers. The University of Wales therefore needed to be sure that it had evaluated the academic standards of the individual institutions independently and rigorously before admitting them to full status. Mr Randall felt that, whether HEIs in Wales were to be viewed as separate institutions or part of a federal structure, they should meet the standards for and be encouraged to apply for, independent degree awarding powers. The committee supports this view.

8.9 It should be noted that Mr Randall subsequently resigned his post but Mr Peter Williams the acting Chief Executive confirmed that Mr Randall’s evidence to this review was still supported by the QAA.

8.10 Professor Shattock advocated reducing the number of layers of bureaucracy and felt that it would be unhelpful if there were an extra tier between the governing bodies of HEIs and organisations such as the QAA or the Funding Council. He felt the Funding Council was best placed to take on an overall-planning role for Wales.

8.11 Professor Scott, on behalf of HEW, queried who should have responsibility for quality assurance in Wales and to which body would the University of Wales be accountable, if all institutions came into a full federal structure. HEW agreed there should be an UK-wide system of quality assurance and proposed a dialogue between QAA and ELWa - HEFCW on quality assurance matters in Wales.

8.12 Professor Scott also submitted a thought provoking paper which he had presented to the ELWa - HEFCW / HEW conference on 4 September 2001. The first paragraph of this paper sets out his theme.

“Just after the war, the French philosopher and evolutionary theorist, Pierre Teilhard de Chardin wrote,
"The Age of Nations is past. It remains for us now, if we are not to perish, to set aside the ancient prejudices and build the world."

Possibly Chardin was premature in his thinking but the concept was visionary and valid. I believe that the Age of the University as commonly understood or perceived is passing in the context of the changing world culture, brought about by the communications revolution and the need for localisation determined by the mass market funding regimes. In as little as twenty years time, the notion of the self-contained autonomous university may be an anathema."

8.13 Increasing interaction and collaboration between HE institutions on a global scale will have far reaching consequences, including the role of quality assurance. As well as the UK system of quality assurance, HEIs in Wales may need to benchmark with institutions in Europe and elsewhere in the near future.

8.14 Lord Dearing noted that whilst the University of Wales was a recognisable name and helped attract students, the key issue was not the name but the standard of the award. "Whatever the name, the student wants the standards required for the award of the degree to be maintained, otherwise the name loses its standing and the student is the loser."

The burden of quality assurance

8.15 The HE sector made the case repeatedly and very strongly that it was overburdened by accountability requirements to the extent that resources were being diverted away from core activities. The current system was seen as over-burdensome, expensive, and compliance-driven. The requirements of the QAA and other organisations did not always dovetail and could result in duplication of effort and paperwork. This view had been voiced by Universities UK and echoed in the national press.

8.16 The example was given that, whilst the QAA's codes of practice were acceptable individually, the accumulated requirements of all the codes were burdensome, particularly for smaller institutions. HEFCE recently produced a report estimating the costs of accountability ranging between £40 and £50 million for England. Pro-rata this would translate as £3 million for Wales. HEW felt this represented poor value for money for both stakeholders and the individual institutions.

8.17 Lord Dearing sympathised with concerns regarding bureaucracy but stressed the need for having awards that had value and currency throughout the world. Students wanted a quality experience and this had to be met by a high quality in management and teaching and a rigour in assessment. However, the need for strong arrangements to ensure that degree awarding standards were maintained should not "stifle the ability of institutions to develop and modify programmes in response to need and opportunity, and it must avoid a burdensome, slow bureaucracy."

8.18 One possible outcome of increasing accountability was that institutions would be "forced into a process of creeping marginalisation whereby they make savings by targeting their most expensive and least popular courses and disciplines" (NATFHE). This might help solve an institution's immediate financial problems but could lead to loss of diversity in Welsh HE and cutting back on the science and engineering base which would in turn affect the Welsh economy.
Recommendations

1. That the Assembly Minister, ELWa - HEFCW and HEW should enter into dialogue with the University of Wales to critically review the appropriateness of the present University of Wales structure;

2. That the Assembly Minister should support ELWa - HEFCW and HEW in their contribution to devising a lighter touch, UK-wide quality assurance regime;

3. That HEIs in Wales must have awards that carry international currency, prestige and recognition. To this end, ELWa - HEFCW and HEW should enter into dialogue with the QAA to harmonise the quality assurance systems in England and Wales;

4. That the Assembly Minister should impress on the QAA and the Welsh Language Board the urgent need to resolve the issue of the translation of examination scripts in Welsh; and

5. That ELWa - HEFCW should carry out a benchmarking study of HE quality assurance systems in Europe and further afield, e.g. USA, Australia.

Link recommendations:
- That ELWa - HEFCW should encourage HEIs to comply with the QAA codes of practice relating to widening access and students with disabilities and learning difficulties (Chapter 5).
- That the Assembly Minister should encourage:
  - initial constituent institutions of the University of Wales - Aberystwyth, Bangor, Cardiff, Lampeter, Swansea and UWCM to apply for/or use taught and research degree awarding powers.
  - institutions – such as NEWI, Swansea Institute and Trinity College Carmarthen – to apply for University College status via established QAA procedures.
  - institutions – such as UWIC and UWCN – to either apply for Full University status via established QAA procedures or remain as University Colleges associated with an existing University within the appropriate geographical cluster and with a similar mission. (Chapter 9)
Chapter 9

Size and shape
Background

9.1 An overview of the HE sector in Wales is set out in Annex 1. There are thirteen HEIs of differing sizes and profiles. They receive funding from ELWa - HEFCW on an individual basis - part of which is per capita and part initiative funding. Of these, only the University of Glamorgan and the WCMD are outside the University of Wales’ structure, although the University of Wales validates WCMD’s degrees. All other HEIs in Wales are members of the University of Wales though, during the course of this review, the committee learnt that they did not all enjoy the same status.

9.2 We were told that HE institutions in Wales were relatively small when compared with their competitors in the rest of the UK and overseas. The largest HEI in Wales is Cardiff University, which is only 32nd in size in the UK. The largest post-1992 institution, University of Glamorgan is 23rd out of a total of 35 "new" universities. We were told that HEIs were widely dispersed and that the relatively poor transport infrastructure in the more rural areas made it difficult for some students to access higher education.

9.3 We were informed that a significant number of HE students in Wales (some 6,000) studied in FE colleges.

Issues discussed

9.4 We examined the following issues in relation to the size and shape of the HE sector:

- Critical mass;
- The need for collaboration and/or merger;
- Possible models for the future of the sector;
- The role of the University of Wales;
- The need to build a world-class research capacity;
- The need for a strong vocational base to widen access and provide for the future skills requirements of Wales; and
- Provision for niche markets.

Critical mass

9.5 ELWa - HEFCW - in a paper entitled ‘The scope for institutional mergers at the higher education level’ (September 1999) - suggested that, for a country the size of Wales, about five or six HEIs would be reasonable. The committee was told that, although size does not in itself guarantee quality, there had been a trend in the rest of the UK to create larger institutions which
could achieve economies of scale and reach the critical mass deemed to be necessary to compete on the global stage.

9.6 Achieving critical mass in an institution relates to achievement both in teaching and in research. The committee notes that no individual teaching-led institution in Wales is of comparable size to the big HEIs in England. We were told that even if all teaching led HEIs in Wales were to merge, the resulting institution would still be only similar in size to the large metropolitan universities in England.

9.7 We learnt that even HEIs of considerable size and reputation in England were proposing merger as a means of maintaining their competitive edge - for example, London Guildhall/North London/East London; and Leeds Metropolitan/Bradford/Huddersfield. These HEIs recognise that scale affects the breadth of programmes that they can offer and also influences the quality of the research staff they are able to attract. The committee notes that in creating these larger institutions, HEIs are partly responding to growing competition from an influx of new education providers, particularly in the corporate sector, who are using information technology to reach large markets. The committee accepts that in any event it is imperative to make the best and most cost-effective use of public resources made available for HE.

9.8 During its visit to Scotland, the committee learnt that there had recently been a number of mergers between HE and FE institutions. This had led to significant educational benefits in producing larger institutions with a breadth of teaching and research interests. We were told of other collaborative and restructuring measures in Scotland – for example, research collaboration in Stratchclyde/Glasgow; the rationalisation of engineering provision at Dundee and Abertay; and merger of the Scottish College of Textiles and Heriot Watt University to strengthen provision in the Borders.

9.9 The committee doubts that the HE sector in Wales, in its current form, is sustainable. We feel that, should the current structure be maintained, there would be problems with recruitment of staff and students and a weakened research base. HEIs in Wales, irrespective of their size, have to meet certain fixed costs and they have to offer salaries that are competitive with those elsewhere in the sector.

9.10 Most respondents spoke of the need to preserve the diversity of the sector whilst acknowledging it was not necessary for every HEI to offer the whole range of subjects. Fforwm told us that “Diversity needs to be encouraged within a more responsible planning framework” and Professor Irvine supported this view. ELWa - HEFCW spoke out even more strongly about its fears for the erosion of the sector – citing falling recruitment and dwindling resources - if the HE sector stayed as it was.

9.11 The committee considers that, if recruitment of staff and students becomes more difficult, then income will fall and market forces will begin to bite. The less popular and least cost-effective disciplines will be dropped, regardless of the skills needed in Wales, and students would be forced to leave Wales if they wished to study certain subjects. Sir Howard Newby (Chief Executive of HEFCE) stated that it was vital for HEIs in Wales to collaborate - given the relatively small size of Welsh institutions and the need to reach less accessible areas.
Merger

9.12 The committee appreciates that forced merger is unpopular with HEIs. Institutions understandably wish to preserve their distinctive character. We also acknowledge that there are as many disadvantages as advantages in merger - especially if the merger is forced. If mergers were to take place, we were told that these should be planned from the bottom up; they should link institutions with similar missions; they should produce a new institution that offered more than the sum of its individual parts and they should be carefully planned, not crisis-driven.

9.13 We were told that merger is an expensive option in the short term because of the costs of redeployment and redundancy. The cost of moving staff at Bradford for example was estimated to be some £3.4 million. Both NATFHE and ELWa - HEFCW stated that there was a need for a restructuring fund in Wales. ELWa - HEFCW estimated this would need to be in the region of £10 million.

9.14 We consider that any proposed mergers should take into account the financial, geographical, demographic, cultural, historical and mission factors. The NUS argued eloquently that the needs of students, rather than administrative or economic convenience, should be the primary concern in any planned merger. The committee accepts that the needs of students should be paramount in any planned restructuring.

9.15 Merger might, in some circumstances, be an attractive and effective option. Indeed, many of the current HEIs in Wales are the result of successful mergers. The merger of Coleg Normal and University of Wales, Bangor was cited by several respondents as an example of a merger that had been successful.

9.16 We were told by the Association of University Teachers (AUT) that mergers could mean forfeiting advantages if they lead to campus closures. For example, HEIs and FEIs interact with their local communities, both culturally and through business ventures and so the closure of a campus would have a detrimental effect on the local economy.

Niche markets

9.17 The committee accepts that large institutions are not necessarily the solution for every situation. There is a need to cater for specialist niche markets even if this means the resulting institutions are small. A good example in Wales is the provision of courses in music and drama offered through its only conservatoire, the WCMD. Both Lord Dearing and Professor Shattock spoke in favour of small institutions that met specialist needs but stated that it was advisable for smaller HEIs to collaborate more closely - for example, in areas such as support services - in order to achieve economies of scale and to stay financially viable.

9.18 Professor Shattock stated he favoured neither over-large institutions, nor widespread mergers. However, he acknowledged that critical mass was important for the HE sector across the UK. He told us that the sector in Wales faced particular problems because of the relatively small size of some of its institutions and because of its reliance on attracting a large number of students from across the border.

9.19 The committee feels that whatever future model is adopted, it must remain sensitive to the need for pan-Wales strategies in subject areas such as initial teacher training, medicine, music and drama, Welsh-medium provision and also in certain support areas such as ICT.
We learnt that Cardiff University and UW College of Medicine have successfully collaborated in teaching and research for many years. A partnership agreement in 1997 encouraged further joint developments and paved the way for internationally acclaimed centres that add substantial social and economic benefits to Wales. We recommend that Cardiff University and UWCM explore the benefits to their institutions and to Wales of an even stronger alliance. We understand that most medical schools in the UK are not universities in their own right and few universities of the calibre of Cardiff are without a medical school.

The committee’s view on the provision of courses through the medium of Welsh is given in Chapter 3.

Collaboration

Several respondents considered that internal competition in the HE sector in Wales was unproductive and wasteful of resources. They told the committee that there were benefits to be gained through collaboration to achieve economies of scale and to reduce duplication.

ELWa - HEFCW felt that intensified and expanded partnerships could produce more joint market research; joint recruitment; more coherent partnerships for widening access; joint delivery of support services; joint training for postgraduates and joint third mission activities.

The committee learnt that experience in Scotland had been one of a growing trend in new styles of collaboration between HEIs. These have included merger - as with FE colleges of Education and local HEIs in Paisley, Strathclyde, Dundee and Edinburgh; partnership agreements between Dundee and St Andrews; and strong collaborative agreements – for example, in research between Glasgow and Strathclyde. We were told that even before this latter collaboration, the research income of Glasgow and Strathclyde was substantial - over £23 million, with £14 million for the RAE element alone. We were told that SHEFC had introduced a £9 million fund to support strategic change - covering merger and collaboration - to “fund the journey to merger”.

Northern Ireland has only two universities and we learnt of successful collaboration between these two HEIs, which have distinctive yet complementary missions.

In responses to the committee from HEW and individual HEIs, there was support for collaboration. However, based on the evidence supplied by HEIs and summarised in Annex 5, it can be seen that - although there is collaboration across many different areas - the current pattern of loose co-operation and coalitions is on too small a scale to have any real impact. The committee was impressed by the success of Scotland’s more formal collaborations, which had secured a range of major research contracts with the Middle East. We feel that a more structured, strategic approach is required - supported by formal agreements. Furthermore, we consider that collaboration with HEIs outside Wales - particularly with prestigious organisations - could enhance the quality and breadth of provision; could enable HEIs to make the most of new markets and new technologies; and could provide staff development and research opportunities.

The committee is firmly of the view that any future structure should preserve collaboration between the HE and FE sectors, to ensure seamless progression and to facilitate widening access. UWIC referred to the need for vertical integration of post-16 education. The University of Glamorgan and UWCN provided evidence of their strong links with FE colleges.
and with local schools. Lord Dearing stated that HE must not be considered in isolation and he strongly supported links across the binary divide. ELWa - HEFCW went further in stating it did not rule out the possibility of merger between HE and FE institutions. We feel that the emphasis must be on quality franchising with good articulation agreements for the final year(s) of a course - so that students have the same quality of HE experience, whether they choose their local FE college or a university.

9.28 As discussed in Chapter 6, we feel that there must also be continued collaboration with business, industry and with the local community in order to contribute to the regeneration of communities in Wales. We were given examples of good practice, including Teaching Company Schemes and 'Help Wales'.

9.29 In its evidence, HEW accepted there should be change and expressed a wish to work with the National Assembly to produce a realistic timetable. HEW favoured a unified structure for Wales, within which a number of regional clusters could collaborate effectively to provide continuity; establish a brand image for Wales; and to facilitate rationalisation and collaboration.

Possible models

9.30 As Professor Shattock observed, there is a possible role here for ELWa - HEFCW as a planning and co-ordinating body. The committee was told that it was not unusual for public bodies such as ELWa - HEFCW to have a planning as well as a funding remit. We consider that this is the way forward. The Minister already sets the broad parameters for ELWa - HEFCW in her annual remit letter and has the power to impose conditions that must be met by all HEIs, or all HEIs of a particular category. The committee has been advised that such a development in ELWa - HEFCW’s role would require primary legislation.

9.31 The committee feels that whatever model is adopted, the HE sector in Wales needs a system of partnership to enable it to achieve the necessary critical mass and resources:

- To deliver the National Assembly’s objectives for a world class research institution;
- To provide the vocational training and skills that Wales requires;
- To develop the capacity for innovation and entrepreneurship; and
- To support the cultural and economic regeneration of the regions.

9.32 We consider that the chosen model should be able to rationalise provision whilst ensuring that a full range of disciplines is available across Wales, so that students from Wales would have a real choice as to whether or not they remain in Wales to study. We accept that courses such as veterinary science, which is not available in Wales, would be expensive to establish but consider possible avenues of collaboration with HEIs across the border - for example, Bristol University and Liverpool University - should be explored.

9.33 Various models have been suggested to the committee during the course of the review and these are set out below. The committee accepts that these models are not necessarily mutually exclusive and that elements of several models can co-exist. The sector is, however, gradually moving towards a consensus view that it requires a system of clusters that can serve specific needs on a national and regional basis.
Two university model

9.34 An early suggestion was for a two university model; one teaching-led, one research-led. This would involve collaboration with other HEIs and FEIs through networks, merger or alliance - or a combination of these. The successful groupings based around the University of Ulster and Queen’s University, Belfast provide an example of such a model. We were told that each of these two universities had a distinctive mission and there was little overlap in provision.

9.35 For the reasons discussed in Chapter 4, the committee considers that Wales needs to develop a world class research institution. Many contributors, including the WDA and business organisations, also stressed the importance of meeting the skill needs of Wales and also the need for a co-ordinated strategy to address this. NATFHE for example called for "a strong Welsh vocationally oriented university ... to provide an institution of size, scope and diversity which could serve the needs of Welsh students and the Welsh economy."

9.36 The committee considers that a two university model would go a long way towards addressing the need to widen access, to meet the skill requirements and to build a world class research base. However, we feel it would not necessarily be as effective in providing a means of delivering some of the other aims and could be perceived as being focused too much on the South.

One nation, one university

9.37 Initially, the committee found the idea of having one university for Wales appealing – as it would provide a brand image for the HE sector in Wales. However, we modified our view when considering the history of the University of Wales and its current situation. There was little support from HEIs for the University of Wales to take on a planning role, as this had been tried and had not been wholly effective in the past.

9.38 As Professor Robbins explained, the current relationship between the University and its constituent parts was something that had evolved to provide less central involvement and more autonomy for the more established institutions. With this background, the current structure of the University of Wales is seen as bureaucratic and outmoded. It is no longer acceptable to many of the larger institutions. The recent decision to consider granting all institutions within the University of Wales equal status is a matter for concern to some HEIs and to the QAA, given that not all HEIs within the University of Wales have their own degree awarding powers or full university status.

9.39 Lord Dearing echoed fears about bureaucracy and warned that any future role for the University of Wales should not ‘stifle the ability of institutions to develop and modify programmes in response to need and opportunity, and it must avoid a burdensome slow bureaucracy’. Professor Shattock spoke of the need to avoid adding an extra layer between HEIs and organisations such as QAA or the Funding Council. He questioned whether the federal structure of the University of Wales added any significant value. Indeed he advocated reducing the number of layers, to enable institutions to be able to respond rapidly to initiatives and to reduce bureaucratic overheads.

9.40 The committee recognises the historic significance of the University of Wales as a key national institution. However, it may be that the establishment of ELWa - HEFCW, and more recently the National Assembly, reduces the need for such an institution as a symbol of national identity and as a mechanism for developing a pan-Wales strategic approach.
9.41 In June 2001, Cardiff gave notice that consultation should begin for it to exercise its own degree awarding powers. If it were decided to do so, this would effectively weaken the position of the University of Wales as an overarching organisation. It would make the ‘One nation, one university’ model less viable and it is difficult to see what purpose the University of Wales would then serve, other than to provide a brand for marketing University of Wales degrees.

9.42 One suggestion recently submitted by Professor Robbins was that the University of Wales could provide the initial home for an embryonic Royal Society of Wales; a learned society with a similar role to well-established Royal Societies in England and Scotland. We feel that there is insufficient evidence upon which to reach a view at this stage.

9.43 It seems clear that the University of Wales will cease to exist in its present form and in this case, the committee feels that constituent parts would need to be rationalised. HE institutions - such as Swansea Institute, NEWI and Trinity College - which do not have their own taught degree awarding powers, should be encouraged to apply for University College status via established QAA procedures. The QAA procedures allow University College status to be achieved via taught degree awarding powers or by managerial integration with an existing university. We envisage that, whichever route is chosen, the institution will link to a university within the appropriate geographical cluster or one with a similar mission.

9.44 Institutions such as UWIC and UWCN already have their own taught degree awarding powers, which have been set in abeyance in favour of the University of Wales. The committee strongly recommends that these two institutions either apply for full university status, via the existing QAA procedures, or take up university college status, as recognised throughout the UK. In the latter case, it envisaged that these institutions would need to be associated with an existing university, within the appropriate geographical cluster and with a similar mission.

9.45 In this scenario, the University of Wales centralised functions must be safeguarded. At present, the University of Wales receives specific funding for:

- The Board of Celtic Studies;
- The Centre for Advanced Welsh and Celtic Studies; and
- The publication of scholarly works by the University of Wales Press.

9.46 We consider that ELWa - HEFCW should be charged with ensuring the continued delivery of these functions.

9.47 Provision should also be made regarding the validation of overseas awards. We envisage that individual HEIs would take on this responsibility. The committee was told that the current trend was to reduce validation activities because of the difficulty and cost of maintaining standards at a distance.

9.48 We learnt that other institutions have expressed concerns about overseas franchising and subsequently they have severely reduced these activities. We understand that Cardiff University no longer takes part in the University of Wales’ overseas validation activities. We feel that transferring the validation activities of the University of Wales to individual institutions would have the advantage of providing a clear line of accountability and responsibility, as advocated by the QAA.


**Cluster model**

9.49 HEW supported proposals for organising institutions around clusters. They told the committee that these would need to be principally - but not exclusively - organised on a regional basis, to ensure provision across the whole range of subjects to all parts of Wales. They proposed that each cluster should contain a relatively mature HEI, grouped with others of similar or complementary missions. They also advocated a strong link with the FE sector. The committee considers this to be a sensible proposal and the recent creation of the four ELWa regions is particularly opportune, as these could form natural links with the clusters.

9.50 HEW and ELWa - HEFCW held a joint conference in September 2001 to develop their ideas on the cluster model. Following this conference, HEW and ELWa - HEFCW produced a joint working paper, which they submitted to the committee. A clear sense emerged during the conference that the concept of clusters had accelerated discussion between HEIs over future developments. It was apparent that these discussions were leading to:

- A need to clarify the purposes which could best be served by collaboration - at various levels from local to pan-Wales – and those best served by individual institutions; and
- An enriching of the concept of clusters to embrace not only geographical but also functional dimensions.

9.51 There are already a number of examples of embryo geographical clusters in Wales, including the strategic alliance between UW Bangor and NEWI, who have collaborated on a joint RAE submission. The Cardiff Quartet is engaged on a number of joint activities with respect to widening participation and to developing shared services.

9.52 Possible future developments include the development of a graduate school in biomedical and health sciences, a further graduate school in business and related subjects and closer collaboration between the HE and FE sectors. Some of these are likely to be submitted to ELWa - HEFCW’s new structural change fund in the near future.

9.53 The committee considers that possible geographical clusters might be:

- **South East Wales 1**: Cardiff, UWCM and WCMD;
- **South East Wales 2**: University of Glamorgan, UWIC and UWCN;
- **South West Wales**: Swansea and Swansea Institute;
- **West Wales**: Aberystwyth, Trinity and Lampeter; and
- **North Wales**: Bangor and NEWI.

9.54 ELWa - HEFCW should ensure that these clusters work closely with the four ELWa regions, the local FE colleges, local business and industry, with voluntary organisations and public bodies.

9.55 The committee agrees with HEW that the clusters should not be too prescriptive and should be flexible enough to accommodate cross-regional collaboration. Whilst the FE colleges could be accommodated largely within the appropriate regional clusters, it has to be acknowledged that some may wish - at least initially - to preserve long-standing links with
particular HE partners. Fforwm noted that it was not always possible, in all cases, to obtain specialist support from the local HE partner.

9.56 We feel that functional clusters would permit the rationalisation of provision and provide a vehicle for pan-Wales initiatives on:

- Widening access;
- Research;
- Recruitment;
- Niche markets, including Welsh-medium provision;
- E learning; and
- Human resources and overall management and administration.

9.57 The committee considers that they could also respond effectively to specific local needs, collaborating closely with ELWa, the WDA, local authorities, community consortia and local businesses/industry. Using their links with local FE colleges, the clusters could provide well defined pathways into HE - through quality franchising and articulation agreements, making HE available to those students who are unable to go further afield for their higher education. Finally, there could be long-term savings arising from efficiency gains through the pooling of resources and collaboration on support services, teaching and staff development.

9.58 We feel that clusters would facilitate the provision of a research base. This should be centred - it exists already in essence - on Cardiff University and UWCM. We consider that these institutions should be encouraged to merge in the long-term. We understand that most medical schools in the UK are not universities in their own right and few universities of the calibre of Cardiff are without a medical school.

9.59 We consider that the cluster model would also facilitate the formation of a teaching-led group for delivering widening access, vocational education and e learning across Wales. This could be based on collaboration between the University of Glamorgan, UWIC and UWCN. It would have the advantage of being able to build on the existing and highly successful links that these institutions have with the FE sector. Again, there might be mutual benefits to be gained from merger in the long-term.

9.60 We suggest that UW Swansea and Swansea Institute, with the local FE colleges, could provide a regional cluster to serve the needs of the city of Swansea. We understand that Bangor and NEWI have already formed a strategic alliance and suggest that this could be further developed to provide leadership for the Community University of North Wales.

9.61 We believe that clusters should deliver specific briefs and achieve clear targets, set by ELWa - HEFCW based on guidance from the Minister. In order to be effective, they would need to be more than loose collaborations. Trinity referred to "the development of contractually bound consortia."
9.62 ELWa - HEFCW, in its planning role, would need to determine:

- What could this particular cluster achieve over and above what the individual institutions are already achieving?
- In what way do these clusters deliver the strategic objectives set by the National Assembly?

**Rationalisation**

9.63 We consider that one of the first tasks that ELWa - HEFCW should address, should it be given a strategic planning role, is to identify the scope for a rationalisation of provision. In doing so, it should preserve the diversity of the sector and ensure that all subject disciplines are available in all parts of Wales and that unnecessary and expensive duplication is avoided. To this end, we feel that ELWa - HEFCW should continue to develop a close working relationship with HEW so that they may collaborate, together with the Assembly, in shaping the future strategy of the HE sector.

9.64 The committee feels that ELWa - HEFCW should help ensure that resource-intensive initiatives, such as the provision of an infrastructure to support ICT, are implemented cost-effectively, with all institutions in Wales having compatible systems.

9.65 We consider that another area that would lend itself to rationalisation is ITT, which is currently offered in eight institutions - with some departments recruiting relatively small numbers.

9.66 We accept that not all problems can be solved within the HE sector alone. For example, addressing the financial problems of UW Lampeter - arising from low recruitment - requires a partnership approach with ELWa, WDA, National Assembly, ELWa - HEFCW and other HEIs.

**Recommendations**

1. That the Assembly Minister should require ELWa - HEFCW to adopt a more proactive strategic planning role and she should seek implementation of appropriate primary legislation, working with the Wales Office, as soon as possible;

2. That ELWa - HEFCW should collaborate with HEW and with individual HEIs to implement a revised structure of higher education, based on the cluster model. These clusters should work closely with ELWa, FE colleges, businesses and industry – together with voluntary organisations and public bodies;

3. That the Assembly Minister should increase funding to the ELWa - HEFCW Structural Change Fund to facilitate the revised structure;

4. That the Assembly Minister should encourage:

   - initial constituent institutions of the University of Wales - Aberystwyth, Bangor, Cardiff, Lampeter, Swansea and UWCM - to apply for, or use, their own taught and research degree awarding powers;
institutions – such as NEWI, Swansea Institute and Trinity College Carmarthen – to apply for University College status via established QAA procedures; and

institutions – such as UWIC and UWCN – to either apply for Full University status via established QAA procedures or remain as University Colleges associated with an existing University within the appropriate geographical cluster and with a similar mission.

5. That ELWa - HEFCW should:

- facilitate a research-led cluster based on Cardiff University and UWCM – with a view to possible merger in the long-term;
- facilitate a teaching-led cluster based on the University of Glamorgan, UWIC and UWCN to promote widening access, e learning and provision of all disciplines across Wales through a network of FE franchise colleges. This should also be with a view to possible merger;
- facilitate collaboration between Aberystwyth, Bangor and Trinity College Carmarthen, to develop Welsh-medium provision, based on the proposals of the Board of Welsh-Medium Teaching;
- encourage Swansea and Swansea Institute to develop their close working relationship, and to extend collaboration with the local FE colleges; and
- encourage Trinity College Carmarthen to link with one of the clusters for its HE provision, other than through the medium of Welsh.

6. That Bangor and NEWI should continue their moves towards a closer working relationship, to provide leadership for the Community University of North Wales; and

7. That Lampeter should develop a partnership approach with the National Assembly, ELWa - HEFCW, WDA and other HEIs to produce a strategy for its future.

**Link recommendations:**

- That ELWa - HEFCW should encourage the formation of a cluster to extend ICT across Wales, via links with HE and FE sectors – possibly based on the Enterprise College Wales model. (Chapter 3)
- That ELWa - HEFCW should develop a strategy to ensure specialist provision – for example, medicine, teacher training, music and drama – is maintained and access extended, via collaborative initiatives. (Chapter 3)
- That ELWa - HEFCW should work with HEW to provide an all-Wales strategy for research that will:
  - produce a world class research base;
  - facilitate the development of embryonic research units;
- establish and develop centre of excellence, including those involving wealth creation; and
- recognise and reward the contribution of applied research. (Chapter 4)

- That ELWa - HEFCW should encourage further collaboration between the HE and FE sectors in Wales. (Chapter 5)

- That ELWa - HEFCW should support the development of a strong vocational HE framework to overcome the skills ‘bottleneck’ currently experienced in Wales. This should be led by a cluster comprising Glamorgan, UWIC and UWCN, drawing in FE colleges and the appropriate HEIs in the various regions. (Chapter 6)

- That the Assembly Minister ELWa - HEFCW and HEW should enter into dialogue with the University of Wales to critically review the appropriateness of the present University of Wales structure. (Chapter 8)

- That ELWa - HEFCW should encourage greater collaboration rather than competition by reducing the proportion of funding which is hypothecated. (Chapter 10)
Chapter 10

Funding
Chapter 10

Funding

Background

10.1 The current funding regime came into being in 1993, as a result of the Further and Higher Education Act 1992. Prior to this, the sector was fragmented with responsibility for funding and managing the different institutions shared between several different organisations.

10.2 The issue of funding permeates most areas of this policy review, including:

- The amount of public and private funding required to support a first class HE sector.
- The unit of resource for HE in Wales compared with that in the rest of the UK.
- The performance of the sector in securing teaching and research funds of all kinds; capitalising on knowledge generation; and reducing overheads.
- Third mission funding; and
- Student financial support.

10.3 Responses from HEIs showed that funding was a major concern and this was supported by representations from ELWa - HEFCW, HEW, the NUS and the trades unions. They acknowledged that, as resources were limited, a strategic view needed to be taken on allocation of funding. We were told that the HE sector had already achieved much on relatively limited resources. HEIs had made efficiency gains of 35% over the last ten years - and some initiatives could no longer be sustained without additional funding.

10.4 This view was supported by the findings of the annual analysis of education published in June 2001 by the Organisation for Economic Co-operation and Development (OECD). The analysis showed that the UK had the highest proportion of graduates (35%) of the 30 most developed countries. However, it was spending a lower proportion of public expenditure on higher education than the average OECD country and was relying more than the others on private sources.

10.5 We learnt that there was a view amongst HEIs that the sector in Wales was not operating on a level playing field compared with its UK counterparts. The committee was told that in the UK as a whole, funding per student had diminished by 38% in real terms since 1989 and that higher education in Wales had been less well funded than its UK counterparts. We were told that several HEIs in Wales had a recurring operating deficit. This had affected estate and facilities, staff and student recruitment/retention and the ability of HE in Wales to make its mark more effectively on the international scene.

10.6 To an extent, higher education in Wales bears additional costs compared to the position in other parts of the UK. This is because overall, the sector consists of a relatively large number of very small, widely dispersed institutions, carrying relatively heavy overheads. Evidence given
to us suggested that the needs of accountability were adding to the financial pressures. Additionally there is a need to provide bilingual materials. A sector of small institutions may well have greater difficulty in generating research funding, endowments, overseas student income, and patent benefits even where this could be ameliorated by collaboration to reduce the overhead costs of administration, management, procurement and other services. We feel that the Assembly Minister should take these issues into account.

10.7 ELWa - HEFCW submitted a paper giving an overview of the higher education sector in Wales and an abridged version is at Annex 1. The full paper is on the Assembly’s website. This paper included a table (Appendix H) giving the distribution of the Council’s grant for academic year 2000-01 which is reproduced below:

### Academic year (recurrent)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching</td>
<td>£218.8 m</td>
</tr>
<tr>
<td>Research</td>
<td>£56.0 m</td>
</tr>
<tr>
<td>Safety net</td>
<td>£2.6 m</td>
</tr>
<tr>
<td>Other</td>
<td>£7.3 m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£284.7 m</strong></td>
</tr>
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</table>

### Financial year (capital)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching</td>
<td>£7.0 m</td>
</tr>
<tr>
<td>Research</td>
<td>£8.2 m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£15.2 m</strong></td>
</tr>
</tbody>
</table>

10.8 The grant for the academic year 2001-02 was initially increased by less than 1% and three HEIs would have required the protection of the safety net. However, in April the Assembly Minister announced an additional £3.2 million for financial year 2001-02 and in May indicated to ELWa - HEFCW that the Council could plan on the basis of an increased recurrent budget of up £6 million in 2002-03. She accordingly asked ELWa - HEFCW to revise its allocations for academic year 2001-02, and the Council responded by increasing the total allocation to £315.3 million, an increase of 3.9%. This was welcomed by the sector but we were told that there were still substantial costs to be met in terms of the increased pay settlements, and the need to comply with legislation on disabilities and equal opportunities.

10.9 We learnt that there was an ongoing debate concerning the funding of higher education in the UK. Universities-UK had instigated a review into possible options and although the report had been published, no decision had yet been taken on future funding mechanisms in the UK.

### Funding options

10.10 Sir William Taylor gave the committee an overview of the final report of the Universities-UK Funding Options Review Group that he had chaired. The report was entitled ‘New directions for higher education funding’, published in February 2001. The committee was told that under-funded expansion of the HE sector in the UK over the past 20 years had resulted in a halving of
resources per student (the unit of resource). The report found that the level of investment in HE in the UK was lower than that of its major competitors and had given rise to concerns about the continued reputation for quality of the UK’s higher education system. Current levels of funding were insufficient to enable HEIs “to meet society’s aspirations for maintained and enhanced quality, success in the global market and a socially inclusive system.”

10.11 The report stated that any future funding mechanism would need to:

- Maintain the purchasing power of current levels of grant;
- Increase the allocations for recruitment and retention of staff;
- Meet the statutory requirements on equal pay;
- Correct under-investment in infrastructure and meet the requirements of the Disability Discrimination Act; and
- Enhance the premium for widening access.

10.12 The report made clear that “the (UK) Government’s own objectives for higher education – in research and teaching excellence, social inclusiveness and success in the market place for higher education – all incur specific additional costs which cannot be achieved simply by diverting and reallocating money within a diminishing or level total.”

10.13 The report set out four possible funding options:

- Increased public funding;
- Market fees;
- Graduate income contingent contributions; and
- Institutional endowment.

There was no preferred option.

**Consequences of under-funding**

10.14 Paragraphs 1.16 and 1.17 of Annex 1 tabulate a comparison of unit of resource between Wales and England (i.e. pounds per student per year). Those figures have been updated to take into account subsequent budgetary announcements and were agreed between officials of the Assembly and ELWa – HEFCW. These updated figures are tabulated below.

During the mid to late 1990s the unit of resource gap between Wales and England steadily worsened but recent settlements have narrowed and closed the gap:
Compared with Scotland, however, the unit of resource for Welsh higher education is significantly lower. Thus, taking the figures for 2001-02, the difference between Wales and Scotland is 21% (£5,253 as against £6,361).

10.15 The committee tried to establish why there was such a large difference in the unit of resource between the two countries. Several possible reasons were put forward but we were unable to obtain a satisfactory explanation. Therefore, we consider that ELWa - HEFCW should be invited to investigate this matter further.

10.16 We learnt that the level of financial support critically affected many areas of higher education; including, the ability to build up research units, teaching quality, estates, student/staff ratios, support services, staff workloads and the consequent reduction in time devoted to scholarship.

10.17 A paper submitted by Professor Keith Smith (University of Wales, Swansea) provided information on the different funding models used by the UK Funding Councils. This tabulated teaching resources by HEFCE, ELWa - HEFCW and SHEFC for different disciplines, to facilitate comparison. He concluded, ‘It is clear that for many subject categories, especially for those subject areas most relevant to modern ‘hi-tech’ industries such as the sciences and engineering and technology, funding from ELWa - HEFCW is significantly lower than from HEFCE as well as from SHEFC. Therefore, compared to HE institutions in Scotland and England, those in Wales are significantly under-funded in many areas, compounding the inherent disadvantages of institutions based in Wales.’ The committee feels that the overall unit of resource in Wales should be at least on a par with England and that the gap with Scotland should be closed over time. Moreover, the under-funding for particular subjects in Wales, compared with England and Scotland, should be evened out over time - particularly for science, engineering and technology.

10.18 In their evidence, the trades unions were particularly concerned about the consequences of under-funding for staff. It had resulted in low morale and uncertainty because of the increased use of casual and temporary contracts. They felt that, unless funding was increased to levels suggested by the Bett Report, HEIs in Wales would not even meet their obligations on equal opportunities. UCAC and Unison stated that there were inequalities in the salaries paid to staff in different institutions for comparable work. The trades unions recognised that reorganisation of the HE sector in Wales was likely and suggested that the Assembly Minister should provide a Restructuring Fund (comparable to that in England) to enable HEIs in Wales to rationalise their provision. ELWa - HEFCW have recently circulated a proposal for a fund to promote collaboration, although the sum suggested was relatively small at £2 million for the academic year 2001-2002.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wales £</th>
<th>England £</th>
<th>Difference £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>4586</td>
<td>4577</td>
<td>-0.2</td>
</tr>
<tr>
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<td>4563</td>
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<td>4965</td>
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</tr>
<tr>
<td>2001-02</td>
<td>5253</td>
<td>5257</td>
<td>0.0</td>
</tr>
</tbody>
</table>
The Universities/UK Funding Options Review Group had estimated the UK needed funding of some £900 million a year to hold its own in the international educational and research market. Pro-rata, this would entail an additional £45 million per year for the HE sector in Wales by 2005.

It is noteworthy that higher education funding in Wales exceeds that indicated by the Barnett formula.

The unit of resource results, of course, from the combination of funding and of the number of students. In evidence to the Committee [ELL 06-01(p3)], HEW representatives remarked on the fact that Wales, with 5% of the UK's population, teaches 6% of its students. HEW argued forcibly that the Assembly should not cut back on student numbers on Wales. This disproportionate throughput of students inevitably squeezes the unit of resource in Wales. Nonetheless, ELWa - HEFCW's grant from the Assembly is currently about 6.6% of the combined HEFCE/TTA grant from DfES.

That said, we recommend that the National Assembly should:

- Ensure that the unit of resource for higher education in Wales was at least equivalent to that in England, with the eventual aim of parity with Scotland;
- Meet reasonable restructuring costs; and
- ELWa - HEFCW should review with institutions how they would respond to their legal responsibilities regarding equal opportunities.

Hypothecated funding

HEW expressed concern about hypothecated funding, sometimes called "jam-jar" funding, which tended to be short-term and limited the HEIs' discretion in using resources. This view was echoed by a number of respondents. The NUS stated "HEIs are suffering from initiative fatigue: short-term projects and pilots are being prioritised and cosseted and, as a result, long-term projects and strategic financial planning are falling by the wayside." HEW felt the proportion of resources going into special initiative funding should be reduced and that more resources should be allocated via per capita funding to give institutions more flexibility.

ELWa - HEFCW, in a supplementary written submission to the committee, supported this demand for a reduction in hypothecated funding but pointed out that they needed to take account of the requirements of the Assembly Minister, who sometimes directed that funding should be allocated to specific policy initiatives. ELWa - HEFCW stated that, to the extent that they were empowered to exercise discretion over the use of funding, they were already beginning to reduce the number of separate budget lines and would continue to work in this direction. As an example, they quoted the Higher Education Economic Development Fund, which was the product of combining previously separate funding streams.

The committee feels that the proportion of hypothecated funding should be significantly reduced and concentrated on securing strategic change in line with Assembly priorities. We feel that institutions should have flexibility in the use of resources, within a strategic framework set out by ELWa – HEFCW and related to outcomes and performance.
Third mission funding

10.24 This is covered in more detail in Chapter 6. HEW and ELWa - HEFCW emphasised the importance of this activity within the higher education sector. ELWa - HEFCW told us that they were establishing a new Higher Education Economic Development Fund, initially at a level of £2.3 million. This would enable institutions to employ a cadre of appropriately experienced, specialist outreach staff, who could facilitate links between HEIs and business and the community. We were told that it was important for institutions to be able to plan this activity on the same basis that they plan teaching and research. Eventually, it was anticipated that HEIs would generate income from contract and consultancy work and from intellectual property rights. In the short-term, we were told that additional ‘pump-priming’ funding was required.

Competition versus collaboration

10.25 Professor Cochrane of the Open University told us that “The affordability of HE in Wales will be assisted by the avoidance of unnecessary duplication. In a small sector like that in Wales there is some scope to map needs and markets and to collaborate to meet those needs.”

10.26 HEIs were concerned that competitive funding had encouraged mission drift and promoted uniformity rather than diversity. HEIs felt obliged to bid for a share of each new funding initiative even though, as HEW told us, such funding may be of limited benefit to them, either financially or strategically. HEW urged ELWa - HEFCW to devise funding mechanisms that would facilitate collaboration. However, ELWa - HEFCW considered that the current regime did not inhibit collaboration between HEIs.

10.27 As a result of evidence presented to the committee and also following comments made to the Minister during her visits to various HE institutions, a senior official in the Minister’s department wrote to the Heads of all the HEIs in Wales seeking their comments on the funding methodology. He also asked them for specific examples of where the funding regime had prevented, or inhibited, collaboration within the sector. Only three institutions felt that the funding methodology discouraged partnership. The great majority of respondents who commented on this aspect thought that the funding methodology did not in itself inhibit collaboration but nor did it encourage partnerships. They felt that collaboration was discouraged, not by the methodology, but by the overall level of funding. They also noted that, in such a relatively small HE sector, it was fairly easy to identify financial winners and losers, with consequent negative impact on motivation for the losers.

10.28 On our visit, we learnt that HEIs in Northern Ireland and Scotland expressed similar concerns. SHEFC told us that they had taken the step of specifically allocating funding for collaborative activities.

The committee heard that within HEIs there was a general view that:

- ELWa - HEFCW’s funding methodology failed to take into account the true additional costs of widening access and increasing participation;
- There were too many specific funding initiatives at a time when core funding was severely constrained; and
An additional stream of funding was required for ‘third mission’ activities with business and the community.

10.29 We feel that ELWa - HEFCW should devise a regime, similar to that proposed by SHEFC and currently out to consultation in Scotland, to link funding with specific targets and milestones, in line with broad policy directions from the Minister. These should include outcomes linked to income generation in all its forms – notably from the research councils, business and Europe, as well as overhead cost reduction.

**Parity of treatment**

10.30 We were told that HEFCE had provided £330 million in England over three years, linked to the recommendations of the Bett Report, which addressed equal opportunities and also staff terms and conditions. This refers to sums of £50 million (2001-02), £110 million (2002-03) and £170 million (2003-04) announced by DfES. The Assembly announced a fully equivalent increase of £3 million for 2001-02. ELWa - HEFCW’s budget for 2002-03 has yet to be finalised but the Assembly Minister has indicated that, for planning purposes, ELWa - HEFCW should assume an increase in recurrent funding of at least £6 million in 2002-03.

10.31 The committee considers that where additional funding is announced for England, proportionally equivalent resources should be made available in Wales, insofar as they relate to established strategic objectives for HE and the performance of the sector justifies the investment. HEIs felt that there was sometimes a time lag before details for Wales were announced. This left HEIs in Wales wondering to what extent the initiatives would apply to them, if at all, and this led to planning inertia. To a large extent this is a consequence of the Assembly’s more democratic budget-setting process whereby a draft budget is published early in the autumn before Whitehall departments have made their final decisions on allocations. However, we consider that the Assembly Minister should try to address this issue wherever practicable.

**Funding to maintain international standing**

10.32 The committee was told that closing the gap between Wales and the rest of the UK was important, particularly if Wales wished to build a reputation for world class research. World class researchers are highly mobile and are attracted by excellent facilities and rewards commensurate with their talents. Market forces apply in academia just as robustly as they do in the world of business or professional sport.

10.33 UKCOSA stated that “Income from international student fees must not be taken for granted: recruitment of international students relies more than any other factor on satisfied customers.” We accept that, to attract international students and lecturers, HEIs need to provide good facilities, good support services and most importantly to offer courses that are recognised as being of high quality.

10.34 The Trade Unions echoed HEW’s fears about the consequences of under-funding on the UK’s reputation for quality. The AUT noted that HEIs needed to have international standing and to attract a cosmopolitan mix of staff and students. It was, however, difficult to recruit and retain these if the sector was under-funded in comparison with its UK counterparts. We
consider that the National Assembly’s ambitious targets for overseas recruitment cannot be achieved without some centrally supported strategy.

### Position in Scotland

**10.35** During its visit to Scotland, the committee learnt that SHEFC was currently conducting its own extensive inquiry into funding for teaching and research. Currently it supported teaching through its block grant and through additional measures such as widening access funding, a part-time incentive grant; a part-time fee waiver scheme for those on low incomes and a ‘collaborative courses’ grant, to encourage collaboration within the sector.

**10.36** SHEFC provided members of the committee with a copy of a consultation document, which was distributed to institutions in Scotland, seeking their views on a proposed new condition of grant - which would link main funding for teaching and learning to satisfactory progress on relevant major policies. The main thrust of this proposed change, aims to give HEIs in Scotland greater flexibility to use available resources to respond to needs – rather than having to bid for various top-sliced grants. SHEFC told the committee that, if approved, this approach would enhance its relationship with HEIs and make better use of the main mechanism for dialogue between the funding council and institutions; namely, their strategic plans. It would require SHEFC and the HEIs to work in partnership to improve the quality of teaching and learning and research undertaken. Although sanctions could be imposed on HEIs that failed to deliver, SHEFC intends to adopt a light touch approach.

**10.37** SHEFC proposes that the new condition of grant, to be introduced from 2002-03, should focus on the following areas:

- Widening participation;
- Continuous improvement of teaching and learning;
- Research and knowledge transfer; and
- Human resource policies and management.

**10.38** The committee considers that a similar approach should be adopted in Wales, to enable ELWa - HEFCW to play a more strategic role in shaping the future of HE provision.

**10.39** SHEFC for 2001-02 has also allocated a widening access premium of £3 million and a Disabled Students’ Premium of £900,000.

**10.40** The funding for research has five strands:

- Monies allocated in relation to RAE quality;
- Research development grant (£18.5 million in 2001-02) - for strategic and developing areas;
- Knowledge Transfer Grant - similar to the Knowledge Exploitation Fund in Wales - to encourage the promotion of knowledge transfer activities;
• Physical Infrastructure Investment - £10 million in 2001-02 to provide a funding stream for science research infrastructure; and

• UK activity funding — for example, contributing to the Arts & Humanities Research Board.

10.41 In addition, SHEFC has allocated £9 million to support strategic change (innovation, collaboration, restructuring, and merger) and £7.7 million to the Joint Information Systems Committee (JISC) to provide world class IT networks and services.

Student support

10.42 We were told that student funding, in particular the introduction of tuition fees and the abolition of the maintenance grant, was a major problem for the HE sector. Some respondents felt that these two measures had seriously affected student recruitment and retention rates. Both Unison and UCAC commented on the detrimental effect on recruitment of the introduction of fees and loans, particularly in socially deprived areas.

10.43 We learnt that fear of debt was proving a barrier for many students from poorer backgrounds. Even where this barrier was overcome and students did take up places financial hardship restricted their choices in subtler ways. More students were applying to study closer to home to minimise their living expenses, even though their local HEI might not offer the best course for them. There was evidence from the Rowntree Report (‘Socio-economic disadvantage and access to higher education’, Joseph Rowntree Foundation, published in 2000) that students with limited financial resources were choosing courses that were shorter, led to lower qualifications and offered a restricted range of subjects. We feel that this is a hidden form of exclusion.

10.44 The committee was told that an increasing number of students had to work part-time, even when following full-time courses. This restricted the benefit they could derive from their HE courses and led to missed lectures and assignments and consequently higher drop-out rates. ELWa - HEFCW produced an informative report on this subject, entitled ‘Reducing student drop-out’ and published in June 2001. This report contained a number of conclusions, including:

• There is no one single approach to addressing student retention. Institutions have to employ a range of strategies and actions, in line with their own missions and circumstances;

• Actions should not be focused only on when the student is enrolled but should extend to pre-entry programmes and the recruitment and selection process; and

• There should be a simplification of the present ‘Hardship’ funding schemes, with HEIs given more flexibility to use funding in line with the needs of their particular student population.

The committee supports these conclusions.

10.45 We learnt that HEIs themselves were providing job opportunities for students to help them balance their finances but they accepted that it was not necessarily in the students’ academic interests to juggle work and full-time study. We were told that the option to earn
whilst studying was not open to all groups of students, many of whom were following courses which were longer than the traditional terms.

10.46 It was acknowledged that the hardship funds set up for students who were experiencing financial difficulties had been a help. Almost £9 million had been allocated in the current year. The NUS accepted that there were competing priorities for resources but felt that these could be better targeted. It set out its own key recommendations for student funding:

- Education at the FE and HE levels should be free at the point of entry and only repayable when students could be shown to be reaping the benefits of HE;
- Student funding should apply to both FE and HE students;
- The costs of student funding should be shared by all stakeholders i.e. students, the state, business and industry;
- Funding should be straightforward, accessible and consistent; and
- There should be a means-tested Learning Maintenance Allowance.

10.47 The submission from the NUS dealt in detail with many of the issues facing all students, together with the particular needs of certain groups of students; those with disabilities and those from backgrounds not traditionally aspiring to pursue higher education.

10.48 HEW called for “substantive changes in student funding to introduce systems that are fair and transparent, that do not act as a disincentive to students at the point of entry to HE and which will encourage and enable all who can benefit from HE to participate”. The UWCM and NUS both highlighted inequalities of treatment in student funding amongst specific categories of students in similar areas of study. For example, there were disparities in the funding for medical/dental students compared with healthcare students and diploma nursing students. The committee accepts that student funding should be equitable.

10.49 Some HEIs expressed concern that postgraduate funding might be ignored when reviewing student hardship. It was important that HEIs had the facilities to attract good quality research students who would become the next generation of top class researchers. We were told that salaries for new graduates in some areas were so high that it was becoming increasingly difficult to recruit good research students.

10.50 Student hardship in Wales was the subject of an independent investigation commissioned by the Assembly Minister. The Investigation Group on Student Hardship and Funding in Wales was chaired by Professor Teresa Rees - who, together with other members of the Group - made representations to the committee during the course of this review. The Group published its report in June 2001. It found that student hardship was affecting the health of students and their academic achievements. There were inconsistencies and inequities in the existing student support systems and students either lacked information or held misconceptions about the support that was available to them. There was evidence that financial considerations were acting as a deterrent to applications from students from lower income backgrounds. The committee was told that disparities in student funding were being challenged in the European Court and that many students in Wales leave university with considerable debt, typically in the range £10,000 to £12,500.
10.51 Amongst the Group’s recommendations were:

- That the Assembly uses its best endeavors to persuade the UK government to invest considerably more resource into cost of living support for learners;
- That the Assembly uses its best endeavors to persuade the UK government that there should be a statutory entitlement to finite, means-tested and targeted maintenance support for all learners in HE and FE;
- That the Assembly should persuade the UK government that up-front tuition fees should be abolished in favour of end-loaded income-contingent contributions;
- That there should be two new schemes - Learner Maintenance Bursaries (for Welsh students irrespective of where they study) and Financial Contingency Funds (available to postgraduates and to students from outside Wales who study in Wales);
- That the Assembly further increases the allocation of resources for student support to £20 million in 2001-02 and to £58.5 million in 2002-03 and beyond;
- That further attention should be paid to the problems faced by disabled students; and
- That funding should be available for a mentoring scheme to increase participation in FE and HE.

10.52 The Group proposed that their recommendations should be taken as a package and that many of the recommendations were inter-related. Following the publication of the report, the Assembly Minister increased the total for Access/Hardship funds to £20 million to address the problems of student hardship and has set aside a further £20 million in reserve in the draft budget for HE which will help to take forward the recommendations in the Rees Report.

10.53 The committee broadly endorses the recommendations of the Group and is pleased that the Assembly Minister has given a commitment to pursue them.

10.54 In ‘The Learning Country’ paving document, the Assembly Minister states that she shall:

- Pursue all the recommendations (of the Rees Report) relevant to the UK central government, particularly those on the future of tuition fees, with the relevant Ministerial teams;
- Give rigorous consideration to the recommendations that fall to the Assembly itself, consulting on operational matters of implementation, as appropriate;
- Consider the detailed financial implications of the Report in the current Budget Planning Round, and succeeding ones; and
- Seek to put in place the legislative powers to provide a firm statutory base for learners’ entitlement to Maintenance Allowance and Bursaries.

10.55 The committee, in its scrutiny role, will take a keen interest in progress on these matters. We are concerned that the cost of implementing these recommendations should not be at the expense of other areas of education and training.
We were told that changes to the student funding system could also affect the operations of the HEIs themselves. The most far-reaching proposal is the change from an up-front tuition fee to an end-loaded graduate endowment contribution. Sir William Taylor warned that this option, if adopted, would require action to prevent any loss of income to HEIs. Measures would, therefore, have to be devised to preserve the financial integrity of HEIs. We feel that the Assembly Minister should take this issue into account when planning the implementation of the Group’s recommendations.

Planning horizon

We were told by ELWa - HEFCW, supported by HEIs, that they would welcome a longer planning horizon. We learnt that much of the difficulty with the allocation of the recurrent grant was due to uncertainty of the level of funding available in the second and third years of the planning period. This is further complicated by the fact that the academic year runs from August to July, whereas the financial year runs from April to March. The committee considers that, as programmes of study in HE generally run for a period of three years, the funding regime should give HEIs more confidence in resource levels over this planning horizon.

Recommendations

1. That the National Assembly should ensure that the unit of resource for higher education in Wales is at least equivalent to that in England and that the funding gap with Scotland be significantly reduced over the next few years;

2. That ELWa – HEFCW should devise a regime, similar to that proposed by the Scottish Higher Education Funding Council and currently out for consultation in Scotland, to link funding with specific targets and milestones, over a three-year planning horizon, in line with broad policy and overall strategic direction from the Assembly Minister;

3. That ELWa – HEFCW should encourage greater collaboration rather than competition by reducing the proportion of funding which is hypothecated;

4. That the National Assembly, with the Wales Office, should pursue implementation of the recommendations contained in the Rees Report on Student Hardship; in particular, the Learner Maintenance Bursaries and Financial Contingency Fund;

5. That ELWa - HEFCW should commission further investigation into the particular needs of students with disabilities and learning difficulties and ask the HE sector to estimate what additional funding is needed to meet its statutory responsibilities for equal opportunities – and to produce a programme of measures to achieve this; and

6. That ELWa – HEFCW and HEW should produce a strategy for enterprise and entrepreneurship, identifying the advice and support mechanisms needed and taking account of the Entrepreneurship Action Plan.

Link recommendations:

- That ELWa - HEFCW should provide funding for all-Wales ICT development in higher education, with realistic and measurable milestones set by the Assembly Minister; in particular, for widening access and extending Welsh-medium provision.(Chapter 3)
That HEIs in Wales must be able to respond to the global market by developing opportunities in distance learning. To this end, ELWa - HEFCW should provide funding to encourage collaborative ventures. (Chapter 3)

That the National Assembly should fund a centre for the production of learning materials in Welsh, based on existing expertise in Aberystwyth, Bangor and Trinity College Carmarthen but with links to all parts of the HE and FE sectors in Wales. (Chapter 3)

That the Assembly Minister should provide ‘initiative funding’ to promote the development of centres producing high quality research. (Chapter 4)

That ELWa - HEFCW funding should support all-Wales initiatives to co-ordinate the professional development for postgraduate research students and young academics. (Chapter 4)

That ELWa - HEFCW should co-ordinate widening access strategies across the sector, to disseminate best practice, to avoid duplication and, to introduce a new component in its funding methodology to strongly encourage widening access. (Chapter 5)

That ELWa – HEFCW should continue to work closely with, and provide funding for, WHEILA to co-ordinate and develop the recruitment of overseas students. (Chapter 5)

That the Assembly Minister should provide a “third mission” funding stream, set against specific targets to promote regeneration activities. This funding stream should be strategic and more long-term focused than has historically been the case. (Chapter 6)

That ELWa – HEFCW should provide funding to encourage entrepreneurial collaboration between HEIs and the business community. (Chapter 6)

That the Assembly Minister should increase funding to the ELWa – HEFCW Structural Change Fund to facilitate the revised structure. (Chapter 9)
Chapter 11

Monitoring and evaluation

Framework

11.1 The committee feels that the Assembly Minister should ask her officials to prepare a framework for implementing the various recommendations contained in this report. The key recommendations included in Chapter 1 should be given priority. This framework should take account of commitments already given in betterwales.com and the partnership agreement. In addition, the framework should encompass proposals in the recently published strategic statement on the preparation for the ‘Plan for Wales 2001’ and the ‘The Learning Country’. Both of these publications include measures relevant to this policy review, including an undertaking to pursue the recommendations of the Independent Review of Student Hardship, to improve research ratings in higher education and to further increase recruitment of overseas students.

11.2 We consider that the Assembly Minister should argue strongly for additional funding to be made available in the current Budget Planning Round and in subsequent spending reviews. Whilst welcoming the extra funding for student access and hardship funds (from £11.5 million to £20 million), we are concerned that this should not be at the expense of other aspects of education and training.

11.3 The framework should set targets for achievement and be related to the academic year, to allow ELWa - HEFCW and the HEIs to make plans accordingly. Also, the framework should allow for statutory constraints; for example, the need for consultation and other procedures associated with drafting and implementing secondary legislation. In addition, time should be allowed to consult with colleagues in Westminster (at official and Ministerial level) concerning provisions in the forthcoming Education Bill that are relevant to higher education in Wales.

Scrutiny

11.4 We will continue to take a keen interest in developments in the HE sector in general and the implementation of the recommendations contained in this report in particular. We will scrutinise the Assembly Minister on progress regularly during the course of normal committee business.

Monitoring and evaluation

11.5 In her annual remit letter, the Assembly Minister should ask ELWa - HEFCW to report annually on progress in implementing the various recommendations. The framework referred to above should include a section on evaluation, with targets and milestones linked to particular time periods. ELWa - HEFCW should be given additional funding to enable it to devote sufficient resources to monitoring and evaluation. This process must be carefully planned, in partnership with HEW and individual HEIs, to ensure that it is effective and not perceived as just another bureaucratic burden. The purpose is to obtain accurate management information with which to monitor the success (or otherwise) of specific policies and to facilitate their refinement.