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Welsh Assembly Government

For Our Future

The 21st Century Higher Education Strategy and Plan for Wales

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The 21st Century Higher Education Strategy and Plan for Wales

Audience	All bodies concerned with higher education in Wales, including the Higher Education Funding Council for Wales, Higher Education Institutions, Higher Education Wales (HEW), Chairs of Higher Education Wales (CHEW), Further Education Institutions, Colegau Cymru, private training providers, employer organisations and forums, Trade Unions, Sector Skills Councils, NUS, Student Loans Company.
Overview	The document is a new higher education strategy and plan for Wales. It builds upon and replaces Reaching Higher. The plan provides a response to the Jones Review of Higher Education in Wales which looked at the mission, purpose, role and funding of higher education in Wales. The strategy and plan will set out the strategic direction for HE, and the commitment to ensuring its contribution to social justice, lifelong learning and a buoyant economy.
Action required	Action points for organisations to take forward as indicated.
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Additional copies	Additional copies can be obtained from Alexandra Bridgeman e-mail: hepolicy@wales.gov.gsi.uk Or by visiting the Welsh Assembly Government's website: www.wales.gov.uk
Related documents	Reaching Higher The Jones Review of Higher Education in Wales

FOR OUR FUTURE

The twenty first century higher education strategy and plan for Wales

Ministerial foreword

The Review of Higher Education in Wales, by Professor Merfyn Jones, signalled clearly the strong role higher education is already playing in the social and economic well being of Wales, how much the higher education experience has broadened and changed in a matter of a few years, and how, through its successes, it has achieved international significance.

In 2002, *Reaching Higher* provided a vision for higher education in a newly devolved Wales, both enabling more people in Wales than before to access higher education (HE), and achieving new heights in innovation and discovery. *Reaching Higher* served a valuable purpose in a particular period in Wales's development as a devolved administration.

However, the report by Professor Jones sent a clear message that, for all its excellence and achievements, higher education in Wales needs to change and develop still further to meet the needs of Wales, and compete internationally, in future. The report crystallised the challenges and made clear the need to address them. In my statement to the National Assembly for Wales plenary on 23 June 2009 I thanked Professor Jones for his valuable work and for helping to create a refreshed unity of purpose between Government, the higher education community, the Higher Education Funding Council for Wales (HEFCW), and our stakeholders.

Higher education, both as regards teaching and research makes a crucial difference to our well being as a society and our prosperity. It makes a fundamental contribution to social justice through equipping individuals with the skills and attributes to succeed and prosper. By so doing it can help narrow the gap in opportunities which might otherwise exist through differences in wealth, geography or background. If we fail to widen access to HE, the danger is of a widening in the gap in life chances between those who pass through the HE system and those who don't.

If we are truly to transform people's lives through learning, and if higher education is truly to transform the Welsh economy, the higher education community in Wales must be strong, be well supported by government and its stakeholders and work together as a community if it is to compete in an international market.

As Minister with responsibility for higher education in Wales I take this challenge extremely seriously. I am in no doubt that higher education in Wales needs to change, and change fast. I have already demonstrated determination to do what is needed where it is clear that it is right for Wales, for example in the re-targeting of student finance; identifying national research priorities; and working in partnership with HEFCW and the HE sector to target the Heads of the Valleys with new HE provision, to raise its levels of skills, opportunity and well being.

In June I announced a direction of travel based upon the two key One Wales themes of social justice and supporting a buoyant economy. It is important that this direction is underpinned by a clear purpose and vision, and sustained by specific targeted action. Supporting these developments, I have already announced that I wish to see greater strategic use of funding to maintain and accelerate the direction of travel we have commenced. This will be a major focus of action in this plan.

The breadth and depth of impact of higher education on our national life goes far beyond higher education institutions and those who work, learn and research in them: communities, businesses, employers, and regions can be transformed by a dynamic and effective higher education system. Similarly, this plan for strengthening our higher education system goes hand in hand with our broader skills strategy *Skills that Work for Wales*, and our other actions aimed at enriching the lives and education of young people: our 14-19 framework, the Transformation agenda, and our Children and Young People's Partnership approach. Importantly, it follows, and aligns with, the recent announcement by the Deputy First Minister of the Economic Renewal Programme.

The two pillars of social justice and supporting a buoyant economy form the basis of our refreshed national policy on higher education. There are many stakeholders whose needs, demands and potential drive this strategy. It is vital that in taking the next steps we take account of their needs, priorities and perspectives, but move forward with pace and decisiveness.

I look forward to working with the higher education community and its many stakeholders so that, together, we can plan for our future with renewed energy and confidence.

OUR VISION

1. Our vision is one of a higher education community which, through the combined efforts of its members, transforms lives and livelihoods across Wales. It is a vision which sees higher education providers:

- equipping individuals, whatever their background, with the knowledge, skills and attributes to achieve maximum intellectual and personal fulfilment;
- fostering a culture of exploration, discovery and intellectual challenge that generates international recognition, respect and engagement;
- exploiting their knowledge base effectively through working with businesses and employers in and beyond Wales;
- offering flexible, accessible and learner centred provision;
- contributing to the reviving and sustaining of communities and the shaping of a democratic, civilised and inclusive society;
- contributing to the future renewal of the Welsh economy by raising the skill level of the Welsh workforce and by supporting businesses to become increasingly innovative and competitive.

OUR EXPECTATIONS

2. In order to advance the vision described above, we have set out our expectations which need to be met through the joint efforts of the higher education community in Wales – that is, the Welsh Assembly Government, providers and students, HEFCW, Higher Education Wales (HEW), the Chairs of Higher Education in Wales (CHEW), employers and the wide range of stakeholders with an interest in a strong HE system in Wales.

3. It is an overarching expectation that these expectations will be met and bring benefits for Wales in return for the significant public investment made in higher education in Wales.

Participation is maximised through different ways to experience higher education, including through part-time study

4. The Jones report stated:

‘..this review has recognised the emerging long term and significant change in the composition of the HE student body and in the forms of delivery of HE provision. A combination of reduced numbers of 18 year olds in the future, the success of widening access and the urgent need to reskill and upskill those already in the workforce (or those of working age not in the workforce) present complex challenges, and opportunities, to which HE must respond.’

5. We expect to see more visibility and choice of ways to access higher education, including through systematic progression pathways from post-16 learning and the workplace. We want many more people in Wales to experience higher education, and be equipped with higher level skills. For many, this will mean an experience of higher learning which will be shorter, more timely, and fitted more flexibly around their lives and livelihoods.

Inconsistencies in access and opportunity are addressed

6. The Jones report stated:

'We were concerned to see that, despite rising participation overall in Wales, ...there remain areas which still experience starkly lower rates of HE participation and achievement, significantly lower than average skill levels, and fewer local opportunities to access higher education.'

7. We expect to see access transformed across Wales by more examples of the type of approach being demonstrated in the Heads of the Valleys: where low HE participation and skills is being tackled through collaborative partnership and multi-sectoral approaches, within an overall context of regional economic and community regeneration. We expect appropriately tailored action to benefit access and opportunity in rural and urban communities.

8. We expect higher education in Wales to be embedded more inherently within our wider framework for lifelong learning. This will include more systematic linkage to FE and schools through being part of the Transformation agenda. We expect this to be achieved in combination with other actions, such as on student financial support, the establishment of Y Coleg Ffederal to grow Welsh medium higher education, programme design and learning support.

Improved part-time learning opportunities are offered

9. The Jones report stated:

'There persists a prevailing view of higher education being first and foremost for school-leavers on full-time undergraduate degree programmes studying "academic" subjects'....

(and)

... 'we note that part-time participation has risen more sharply than full time participation over the last decade, but that very recently, part-time participation as a whole has started to fall.'

10. We expect to see greater opportunities for individuals to learn on a part-time basis, with more programmes designed with appropriate flexibility. We expect to see stronger market responsiveness by higher education providers which can ensure an appropriate balance between learning opportunities, need and demand. We also expect greater equity between part-time and full-time students in terms of financial support and fee policy.

Research activity thrives and is effective

11. The Jones report stated:

...‘the 2008 UK Research Assessment Exercise (RAE) has shown that there are numerous examples of internationally-leading excellence in Wales, and some areas of outstanding strength, but overall Wales’s research base, particularly its science base, still lags behind the rest of the UK in terms of both quality and quantity.... (the) insufficient scale of many research units and funding for research are quite probably the two most significant causes of failure to obtain a larger percentage of Research Council funds.’

12. We expect university led research to be consistently rigorous, internationally respected, sustainable and rewarding. Welsh universities will be recognised as leaders and key partners in their fields of research, particularly, but not exclusively, where they concern science, technology, engineering, and mathematics, with benefits for the international profile of Wales, and for businesses in and beyond Wales. We also want research in Welsh universities to make a valuable contribution to the wider world, and for our society as a whole, as public services benefit from the intellectual stimulus and leadership in thought available, and answers to global issues such as environment and climate change are sought. We want this work underpinned by a strong and dynamic postgraduate community, which helps maintain and nurture the future academic community in Wales, as well as offering a seedbed of innovation.

The economy is supported by strengthened and systematic knowledge exploitation

13. The Jones report stated:

‘There is clearly considerable scope for expanding the economic development role of HE in Wales and a necessity to do so if the economic development aims of the Assembly Government are to be met....(this) includes greater mutual awareness, better communication on business need and HE offer, and HEIs being able to engage with businesses in ways that deliver benefits to both sides.’

14. We expect exploitation of existing as well as new knowledge to feed wealth creation and business growth, with the higher education community providing a far more central, innovative and transformative role for business development in the regional and national economy. We want higher education, as routine, to work closely with many more businesses, employers, and employer organisations in Wales and internationally, with both sides benefiting through knowledge exploitation, consultancy, better tailored and targeted workforce development programmes, spinout and other support services. Such exploitation will develop new business and employment opportunities.

A greater proportion of the population achieves higher level skills

15. The Jones report stated:

'We noted several initiatives to address skill levels, but Wales must address the higher level skills gap strategically and imaginatively, paying attention to the specific needs of the country, including those already of working age, if it is to match and move ahead of the rest of the UK and other countries.'

16. We expect to see greater scope for learning in progressive steps and, in doing so, greater utilisation of the credit and qualifications framework for Wales (CQFW). There will be greater use of accreditation of prior learning and greater scope for learning in progressive, credit bearing steps along the learning journey, and with acceptance of shared responsibility for investment between individuals, employers and Government. Many more people will be able to achieve higher level skills by following learning pathways planned, designed and delivered collaboratively. Work based learning is strengthened through partnership between employers and providers over the shaping and delivery of programmes, including Foundation Degrees and bespoke learning opportunities.

Employability is a key outcome of the HE experience

17. The Jones report stated:

'The record of employment of Welsh graduates is good but it remains a challenge to ensure that graduate leavers are well prepared for the world of work. There were clear messages from employers and employer representatives.'

18. In addition to specific programme related skills, we expect the outcome of the higher education experience for learners to be the acquisition of attributes such as confidence to lead and work in teams, to question, to innovate, and to embrace new ideas, to adapt to change and to communicate persuasively and effectively. These skills give graduates the relevant attributes to compete in the economic environment of the future. This will be underpinned by more learners experiencing high quality work placement opportunities as part of their higher education.

Continuing efforts are made to deliver an excellent student experience

19. The Jones report stated:

'Wales appears to more than meet UK standards according to the National Student Survey of student satisfaction..... However, from our discussions with students it is clear that there are a number of areas where the student experience needs improving across the board.'

20. We expect the quality and demands of teaching, learning and research to be vigorous, with rewards which are transparent. For some, the experience of higher education might unlock an intellectual curiosity which acts as an incentive to more

and ever higher levels of learning, but for all who experience it, higher education should unlock talent and potential as citizens, employees, thinkers and leaders.

The cultural and civic role of higher education is enhanced

21. The Jones report stated:

...(a key purpose of HE is to) ‘..develop cultural and civic values such as tolerance and social cohesion, in order to have a wider and positive influence on social and political development, and cultural and creative expression....’

(and)

...‘The development of our HE system and an increased emphasis on the importance of international links provide a major opportunity for Wales to increase its presence on the world scene and to attract highly skilled people, as well as private investment, to Wales, for the benefit of our society.’

22. As well as driving economic transformation, we expect higher education, to champion Welsh cultural awareness and identity, in an environment of global awareness; upholding opportunities to learn through and explore the Welsh language, while promoting appreciation of cultures and traditions from across the world. Such a role delivers immeasurable long term benefit for democratic and civic values, and multi-ethnic, multi-racial, multi-faith and multi-national harmony.

BUILDING ON OUR STRENGTHS

23. Through the leadership of higher education providers, and the talent and commitment of its community of staff, higher education in Wales already makes a substantial contribution to the Welsh economy and Welsh society.

- Quality: in audits by the UK Quality Assurance Agency Welsh higher education institutions have consistently demonstrated quality in teaching and learning in Wales.
- The student experience: the National Student Survey suggests that, overall, students in Wales are more satisfied with their courses than those in England.
- Widening access: compared with other parts of the UK, Wales has a good reputation for attracting students from non traditional backgrounds including those from low participation neighbourhoods, state schools and those with disabilities.
- Research: the UK-wide Research Assessment Exercise (2008) highlighted the existence of areas of world-leading research across Wales. There are now two Nobel laureates working in the Welsh HE sector.
- Knowledge exploitation: among other impressive results, in 2006/7 Wales accounted for 7.3% of UK income from consultancy contracts with SMEs

and 13.1% of all higher education business spinout and staff start-up activity, despite only representing 5% of the UK HE sector. Other data, compiled at a UK level as part of the Higher Education Business and Community Interaction Survey (HEBCIS)¹, has also shown where Welsh higher education punches above its weight. For example, in 2007-08 Welsh higher education delivered:

- 6.24% of collaborative research funding (£43m) from projects involving both public funding and funding from business;
 - 4.35% of cumulative portfolio of active patents (higher than all English regions except London and South East and Yorkshire and Humberside);
 - 15.38 % of formal spin-offs and staff start-ups formed in 2007/8 (40 in total) and 7.05% of the cumulative total of those that were active and had survived at least three years by 2007/8 (76 in total);
 - 9.51% of graduate start-ups established in 2007/8 (188 in total) and 10.21% of the cumulative total of graduate start-ups that were active and had survived at least three years by 2007/8 (135 in total).
- Contribution to the Welsh economy: the annual turnover of the higher education institutions in Wales is over £1billion per annum. It is estimated that this transforms into a contribution to the economy of some £5 billion.
 - Attracting students from beyond Wales: in 2007/08 over 130,000 individuals studied higher education in Wales, with a net inflow of 11,000 from elsewhere in the UK, and a further 19,000 from beyond the UK. The net inflow is not only a boost to the economy but the presence of students from other parts of the UK and the world adds a healthy cultural dimension to life in Welsh institutions and their communities.

THE CHALLENGES

24. In common with other countries, higher education in Wales faces fundamental challenges, which cannot be ignored, including:

- demographic change which will alter the structure of the student base, and potentially the nature of demand over the next decade, with fewer younger people and more people over the age of 25;
- increasing competition at an international level as higher education institutions chase income and investment;

¹ “Higher Education – Business and Community Interaction Survey 2006-07” (Higher Education Funding Council for England).

- the importance for the Welsh economy of developing stronger high-level skills and leading-edge research in science, technology, engineering and mathematics (STEM);
- ever greater expectations on higher education to deliver a return on the investment made in it by individuals, businesses, employers and governments;
- efforts by governments in many countries to review their higher education policies and systems, to sharpen their performance and competitiveness.

25. The challenges are wide ranging, and they have been augmented by other findings, most notably the report by the National Assembly for Wales Enterprise and Learning Committee into the *Economic Contribution of Higher Education* (October 2009), and by the ongoing work of the Wales Employment and Skills Board. All recognise the existing well run, and high performing higher education sector in Wales, capable of achieving excellence on an international platform, but emphasise the need for significant change, and a different way of working, to meet the challenges ahead.

ADDRESSING THE CHALLENGES

26. When reflecting on the long term global shifts in the nature of learning and skills, and the growing international competitiveness of higher education, the Jones report stated:

'These developments are so significant that manipulating and tweaking an initiative here, and a programme there, is not the way forward. The review revealed some fundamental questions that we need to ask ourselves in Wales about the future mission, purpose, role and funding of higher education in Wales...(unless)...these fundamentals are tackled decisively, the long term success and sustainability of higher education in Wales and hence of the aspirations of Wales to be a knowledge based economy and a prosperous and socially inclusive country will be in jeopardy.'

27. Our action plan does not take a piecemeal approach to addressing the individual challenges identified, and takes fully on board the need for urgency expressed in the review. The plan is founded on enabling a whole new model for higher education to emerge in Wales, well positioned to face the challenges which lie ahead, and better equipped and able to adapt and respond as new challenges and opportunities arise. The benchmark for its effectiveness will be the contribution higher education in Wales makes in future to two fundamental Assembly Government priorities identified for Wales:

- To deliver social justice.
- To support a buoyant economy.

28. A key message of the Jones report related to the strategic relationships needed to deliver successful change and sustainability in higher education in Wales:

‘A clear statement of common purpose, backed up by a clarification of roles, responsibilities and expectations is needed. This should form the basis of a National Compact between higher education institutions, other providers of HE, HEFCW and the Assembly Government. We do not envisage this compact to be a new organisation or body but rather an enduring commitment from all parties, and a framework for a new working relationship, using the existing mechanisms more effectively’.

29. This plan is built on the recognition that such unity and shared responsibility is essential to successful delivery, and will be the basis for its further development and implementation.

THE PLAN FOR OUR FUTURE

30. The diagram below represents three groups of actions which will be taken to enable a new model for higher education to emerge in Wales. At its heart, and characterised by the attributes listed in the central column, will be a structure of higher education which better meets our expectations through its versatility and its relevance to our national priorities. These attributes will deliver benefits to both social justice and economic performance, and will form a key focus of investment to deliver change. Either side of the central column are attributes which will be targeted to deliver benefits specifically for social justice, and economic performance.



31. Taken as a whole, this representation helps pinpoint where investment needs to be targeted to best ensure delivery against the two national priorities, in ways which enable higher education in Wales to demonstrate excellence in what it does,

to be financially secure in the future, to meet the challenges we face in Wales, and to be successful in the face of growing international competition.

32. The action plan is based on meeting these requirements. It will enable, in the longer term, the best of what higher education currently offers to be retained and enhanced, while ensuring that change happens where it is needed.

33. It will also necessitate consideration of a change in the relationship between Government and Higher Education. Institutional autonomy is already enshrined in law which upholds the principle of academic freedom. This status has enabled the UK higher education system to become one of the most effective and successful in the world.

34. It is a given that intellectual exploration, discovery and innovation are in their own right fundamental values of higher education which strengthen and uphold its contribution as a source of challenge, curiosity, and reason. All these form the bedrock of a tolerant, inclusive and democratic society, and have helped influence actions throughout this plan, such as in seeking strengthened institutional mission, ensuring a secure future for the higher education system, and the role of students and postgraduates.

35. However, the changing nature of higher education, the challenge it faces the world over, and an ever greater recognition of the critical impact it has on so many aspects of our economy and society, necessitate a reconsideration of the relationship between autonomy and accountability. Such questions are not just being asked in Wales, but in many countries. It is only right, therefore, that we ensure the most appropriate balance in the relationship between government, which is the largest single investor in higher education in Wales, and the higher education community.

WHAT WILL CHANGE?

36. A national higher education system for Wales will be created: different providers will have different strengths, and different missions but will work together to complement and enhance their individual strengths and missions. They will form a wider and more coherent system of providers, including FE colleges as well as HE institutions, working together and equipped to deliver sustained high quality higher education.

37. In that national HE system joint planning and delivery will be underpinned by funding methodologies. Individual providers will focus and build on their own strengths and missions, and work with others to build synergies which strengthen the overall quality of higher education, delivering benefits for access and participation in higher education, workforce development and for research and innovation.

38. The actions listed in the following sections will over time fundamentally re-model higher education in Wales and create an infrastructure for higher education which demonstrates coherence and better responsiveness overall, in ways which will bring benefits to the two pillars of social justice and supporting a buoyant economy.

39. The changes proposed seek to make higher education more open, accessible and responsive to regional and national need. They will better position it to compete internationally, while sustaining existing strengths. In so doing higher education will enhance its contribution to social justice and economic performance.

40. The first group of actions will deliver benefits to both social justice and economic success. The second and third groups specifically target outcomes for social justice and economic performance.

TARGETTING SOCIAL JUSTICE AND ECONOMIC SUCCESS

Working with stakeholders and HEFCW, we will:

Develop a regional dimension to planning and delivery of higher education

41. This will be an important part of creating a higher education system approach, and will target the eradication of nugatory local competition and wasteful duplication of provision. It will also support the development of sufficient critical mass in areas of strength to enable higher education in Wales to compete at a UK and international level, and be a destination of choice not only for students from Wales but for international undergraduate and postgraduate students.

42. By requiring such a dimension to planning and delivery, we will ensure that, through collaboration, local and regional needs and priorities are better identified and met across Wales. Through this approach we aim to ensure more points of access to HE are created locally, and that clearer progression pathways to higher education are in place from school, community, workplace, and further education.

43. That regional dimension will be strengthened by participation of higher education providers in their local 14-19 Learning Pathway planning arrangements and in the discussions on changes to institutional and organisational changes that are flowing from the Transformation Framework for post-16 providers in Wales.

44. Introducing a regional dimension has a critical role to play in tackling disparity in access and opportunity across Wales, and in meeting the needs of businesses and the workforce. Therefore, from this approach we expect better identification and targeting of action to transform higher education access and participation in locations where such opportunities are low. As in the example set by the University of the Heads of the Valleys Initiative, we expect to see a co-ordinated and collaborative approach to tackling the challenge of low participation. We also want the introduction of a regional approach to planning and development to facilitate a joined up approach by HE and FE providers to workforce development, better enabling a “whole package” approach to meet employers’ skills needs at different levels.

Develop greater diversity and flexibility in programme design, duration and delivery to match need and demand.

45. This will include a stronger focus on shorter accredited programmes, which are better tailored to fit around people’s lifestyles and responsibilities, which are more in line with the needs of employers and businesses, and which include

significantly greater opportunities to study part-time and in the workplace. This will also include exploring and piloting new flexible programmes which enable progression to Foundation Degree level and beyond, and which utilise the strengths of the Apprenticeship framework, and flexibility in pace and timing. By opening up much more diverse ways to learn, this will deliver benefits in a social justice and economic context.

Increase the impact of university research, through targeting support on areas of strength and national priority, and promoting collaboration.

46. We wish to see strategic funding targeted on areas of existing strength, and national priorities. Our aim will be to grow the Welsh research base where we are best placed to do so. By so doing, as well as seeking greater investment, the Welsh research base will play a stronger role in stimulating business growth and development, promoting a globally recognised Welsh leadership in key fields, underpinning teaching and learning quality, and nurturing a future higher education community in Wales through the presence of a strong postgraduate community.

47. Excellence in research has a vital role to play in both delivering social justice, and economic prosperity. It can inform the nature and performance of our public services, particularly where health and the environment are concerned, ensure Wales contributes imaginatively to reducing its own and others' carbon footprint, tackle key social issues, and drive business growth and development. It is core to a successful economy and sustainable society.

48. We will continue with our existing action to create a network of research centres in Wales, and build on our *One Wales* commitment to the creation of a national Science Academy, and our April 2009 announcement of national priorities for research match funding, which reflect the importance of STEM subjects. This listed the following priorities:

- Digital economy (ICT).
- Low carbon economy (including climate change mitigation / adaptation issues).
- Health and biosciences.
- Advanced engineering and manufacturing.

The April 2009 announcement also recognised the expertise and capacity Wales has in key cross-cutting especially optoelectronics, engineering, printing technologies, product design and rapid prototyping, visualisation, advanced materials and information communication technology. These technologies are important as they impact on a wide number of sectors.

Enable study through the medium of Welsh to take place in a wider range of programmes and locations in Wales.

49. The Coleg Ffederal model will provide an independent oversight, management, and development of Welsh medium higher education across Wales delivering the recommendations of Professor Robin Williams' report. This will help deliver social justice for those who seek to learn through the medium of Welsh, but also carries potential economic benefit through wider access to workforce development, and business opportunities which exploit the potential offered by a bilingual environment.

Increase collaboration among higher education providers and between higher education and other providers

50. We expect HE providers to work more closely with each other, with FE providers, and with employers on research, teaching and learning, and shared services. As part of their regional role, we expect HE providers to contribute to 14-19 learning partnerships and to Children and Young People's Partnerships. Doing so will deliver core benefits for both social justice and economic performance.

51. We welcome the work already underway in the higher education community in Wales to collaborate more strategically, for example in the development of the Institute of Biological, Environmental and Rural Sciences by Aberystwyth University and Bangor University. We look forward to further collaborative partnerships and outcomes as a result of the actions in this strategy. We also note the announcement of the future collaborative work of the "St David's Day Group" of five universities in Wales (Bangor University, Aberystwyth University, Swansea University, Cardiff University and the University of Glamorgan) and the announcement of more strategic collaboration between the University of Wales institutions; we look forward to the outcomes that will emerge from both of these.

Promote the role of higher education providers as Corporate Citizens

52. We will also ask HEFCW to advise on options for promoting the role of higher education providers more explicitly as *Corporate Citizens*. In this respect we would expect providers to demonstrate the contribution they make to their local communities and to society in general, including through their corporate role:

- as employers, for example in respect of non-teaching staff by offering apprenticeship places and by engaging with Local Employment Partnerships;
- as organisations in helping the national effort to combat climate change, through institutional policies on carbon emission reduction, in line with the national 3 per cent target, and by promoting the use of sustainable and Fairtrade products;
- in working with and encouraging local suppliers of goods and services;

- in enriching their regions and communities through their social, cultural and economic impact.

TARGETING SOCIAL JUSTICE

53. Working with HEFCW and stakeholders, we will:

Renew our approach to widening access to higher education

54. The actions we have set out so far will support efforts to widen access to higher education in Wales. However, on their own they will not be enough. We need to ensure a continued and concerted strategic approach to supporting those who face the highest barriers to discovering and unlocking their potential. In addition to the actions outlined elsewhere in this plan, we expect a renewed widening access strategy in 2010 to include stronger focus on helping those who access higher education to successfully complete their learning objectives.

Target financial support to promote and sustain access to higher education

55. In March 2009 we announced new and fairer arrangements for student financial support in Wales which will be targeted at those who have most to gain, but least to sustain them financially through their higher education. We have also taken measures to help ease the graduate debt burden, with a single write-off of up to £1,500 being introduced from 2010. We will continue to explore options for introducing a Graduate Recruitment Grant from 2012, to encourage graduates to seek employment in Wales.

56. In Spring 2010 we will announce a new national bursary and scholarship framework. It will be based on principles of transparency, consistency and equity of outcomes so that learners will know what they are entitled to receive when they apply to study higher education courses in Wales. The new Framework will ensure that financial support is more effectively targeted to both full-time and part-time learners in greatest financial need and complements the changes already introduced to statutory student support arrangements in Wales. The Framework will also make provision for targeted support in the form of scholarships to incentivise study of particular priority subjects.

Ensure that the student voice strengthens higher education

57. Students are partners in the higher education experience, with imagination, innovation and creativity. Students can enrich the immediate higher education environment and the wider communities in which they are based – and can challenge injustice and seek improvement in the wider world. Students are more than passive consumers of learning, they are active contributors to improving the learning environment and, collectively, to being a force for influence and change. This is one of the great strengths of higher education, and is a responsibility as well as a right.

58. We will ask HEFCW to embed and develop good practice in student engagement and representation in their own governance and in that of higher education institutions.

TARGETING ECONOMIC PERFORMANCE

59. Working with HEFCW and stakeholders, we will:

Strengthen the contribution of higher education to workforce development

60. Actions to support and recognise shorter learning programmes, bite sized accreditation and part-time learning opportunities will help support workforce development and economic renewal. The other measures to introduce a regional and collaborative approach to planning and delivery will also help strengthen the interface between higher education and the workplace. However, these need to be underpinned by a significantly more systematic, transparent and consistent approach to the relationship between higher education and the business/employer community.

61. In addition to the strategic changes proposed in the above actions we want to see a renewal of efforts to create a clearer gateway to higher education services, which is designed with the employer and business in mind, and a supply of learning and services which is better informed about employer and business needs. This should take account of the differing contexts of small, medium and large employers and, drawing on the work of the Wales Employment and Skills Board and the Sector Skills Councils (SSCs) and others, should seek both to address the needs of local businesses and employers, and help place Wales as a destination of choice for large international businesses, because of the quality and accessibility of its higher education providers and the high-level skills of its workforce.

62. As part of this approach, and as part of our aim to see greater diversity and flexibility in programme design and delivery, a new strategy for the development of Foundation Degrees in Wales will be introduced in January 2010. The strategy will include approaches which promote partnerships between HE, FE and employers at regional and national level as the central driver for delivering employment-focussed Foundation Degrees in Wales. The £16m ESF supported initiative to develop new Foundation Degrees in Wales which commenced in 2009 is the first template for this new approach. Foundation Degrees can provide the means to meet the deficit in level 4 and 5 skills in Wales if they are seen by employers as relevant to their high-skill needs. A further benefit of Foundation Degrees is that they offer the added advantage of providing potential credit for the individual if he or she wishes to undertake an articulated degree programme.

63. We believe that Foundation Degrees should be delivered and awarded by the institution which is best placed to do so, under the Quality Assurance Agency's quality assurance framework. To that end, we have sought and obtained Foundation Degree awarding powers to enable those further education colleges who wish to do so, and which can meet the necessary quality standards, to seek awarding powers for these qualifications. We see this as supporting wider accessibility of Foundation Degrees across Wales and as a means of raising skill levels in employment – but not as a signal of a change of mission for our further education colleges.

64. Foundation Degrees will be an important element of the regional dimension to higher education described earlier, both as options for pathways within the 14-19 learning partnerships and as progression for those in employment. We expect the Foundation Degree awarding powers of both higher education and further education providers to be exercised in the context of regional, collaborative planning so that providers can focus on their strengths while working collectively to improve access and opportunity.

65. We will seek further strengthening of opportunities for graduates to gain work experience and placements in Wales, building on the acclaimed GO Wales programme. We will also explore how to create more opportunities for post-doctoral work.

66. We accept the broad thrust of the recommendations of UK Cabinet Office's panel on fair access to the professions. This is not only an important principle of social justice but it will unleash the economic potential of many more of our citizens.

Strengthen the exploitation of knowledge

67. The action to sharpen the focus and effectiveness of research in Wales is matched by the need for higher education to enhance further its impact on Welsh economic performance, both directly through the investment universities are able to attract, and indirectly, through the stimulus and environment they provide for innovation, business start-up and economic development. A crucial part of this is ensuring a research base capable of delivering relevant research, knowledge transfer and exploitation of intellectual property in ways which can impact on Welsh economic transformation both by application of knowledge to existing companies, and through the generation of new business, headquartered in Wales.

68. We will ask HEFCW to consider options for supporting greater collaboration between universities and public and private sector employers in the generation and pursuit of joint research agendas and other approaches to accelerating exploitation of new and existing research. We will also seek ways of encouraging stronger exploitation of the cumulative portfolio of active patents held by HE in Wales. This builds on action which has already been implemented by the Assembly Government in response to the 2007 independent review, chaired by Simon Gibson, of publicly funded commercialisation activities in Wales, *Commercialisation in Wales*. The range of measures taken already include joint appointments of commercial staff by HE Institutions acting in collaboration, and expert advisory panels established in every HE institution.

69. We will also consider options for strengthening the capacity and capability of providers to offer increased full cost recovery work, including through HE/FE partnerships.

70. We will seek options for targeting a greater proportion of funding on strengthening the postgraduate community in Wales, with part-time and full-time opportunities which are of direct relevance to the Welsh economy. In this respect we will be fully engaged with the UK Government's review of postgraduate education,

commissioned by the Department for Business, Innovation and Skills in 2009 and being led by Professor Adrian Smith.

DELIVERING CHANGE

71. The aim of the plan is to deliver significant change in performance on access, skills development, research and innovation, as well as in the nature of higher education in Wales. It also aims to deliver these at a pace which reflects the urgency of the need. The priorities have been developed in consultation with HEFCW, and take account of the recommendations made in the Jones report, as well as feedback and input from stakeholders.

72. While it is essential to maintain pace in moving ahead, we must get the critical detail right in order to ensure successful implementation and sustained outcomes and benefits for Wales. For that reason the points below set the priorities and direction for action. Over the coming months we will work with stakeholders and our key partner in delivery, HEFCW, to develop these priorities into detailed proposals in spring 2010, for implementation from summer 2010.

73. The plan recognises and respects the autonomy of higher education institutions in the sense that they are free to determine their own strategies, set their own direction, seek diverse forms of funding, determine their own curricula, appoint staff, and make their own awards without any reference to government. It also recognises the importance of leaving a high degree of freedom for institutions, who are closer to the market than government, to make their own judgements about how best to respond to the market, in both teaching and research.

74. However, this level of autonomy has to be balanced against the responsibility of the Assembly Government to ensure that higher education delivers the best it can for Wales in the long term future. It will therefore look to the £450m public funding deployed to support higher education via HEFCW as the key lever of change in delivering this action plan.

75. In future, public funding investment in higher education, via HEFCW, will be steered towards investing to achieve the changes necessary to meet our vision and expectations. Only institutions that can deliver those priorities can expect to be the beneficiaries. Higher education institutions will therefore need to identify how best to exploit their strengths in light of changed funding criteria. We expect to see proposals emerging for further reconfiguration of the HE sector as a result of the realignment of funding, including institutional mergers and collaborations where this will underpin strength, capacity, and availability of high quality higher education.

76. HEFCW will be given a remit by the Assembly Government to implement this plan, advising on appropriate actions to deliver its objectives. This will include specific action to:

- i explore, develop and co-ordinate, in concert with the higher education community, the development of a regional planning and delivery structure in Wales which can identify and tackle need while demonstrating the best use of resource.

- ii consider the current HE funding methodologies and advise on how to:
 - o better enable flexibility and diversity in programme design, duration and delivery to match need and demand
 - o encourage systematic collaboration which exploits the potential of technology to deliver higher education across and beyond Wales
 - o drive a focused and employer-led expansion of part-time and work-based higher education
 - o improve scope for seamless progression to HE from post-16 education and training
 - o strengthen focus and effectiveness of the Welsh research base
 - o enable greater strategic deployment of capital funding.
- iii establish the Shadow Coleg Ffederal Board, in line with the recommendations made in Professor Robin Williams' report, with a view to commencing operations in 2010.
- iv advise on an appropriate time scale for delivering on the actions set out in this strategy.
- v advise on an appropriate suite of indicators, targets, and milestones for the objectives set out in this strategy.
- vi in line with action to develop the new framework for National Bursaries, review the existing Fee Planning arrangements and provide advice on options to ensure improved accountability for the measures funded from fee income that promote equality of opportunity.

77. The Jones report set the following aspiration:

'The higher education sector is recognised internationally for the quality of its governance and leadership arrangements and for the high return on resources that it delivers.'

78. Central to delivering many of these strategic changes and actions is the role, function and effectiveness of a high performing and dynamic governing body that is able to carry out its functions of guiding the strategic direction of the institution, supporting and scrutinising the work of the executive and fully carrying out its responsibilities for good stewardship. Institutional governance in Wales' higher education system is strong. However, it is having to work in an increasingly complex environment in which assessment of the institution's responsiveness to learner, staff and external stakeholder need; scrutiny of the senior executive team; and evaluation of the quality of learning delivery have become increasingly demanding. It is therefore critical to ensure that governors of higher education institutions operate within a system that promotes good practice, have the understanding and

competencies to carry out their responsibilities and are able to carry out their responsibilities within a framework of support, guidance and professional development.

79. With HEFCW and relevant key stakeholders such as The Leadership Foundation in Wales, we will carry out a review of institutional governance in higher education with a view to building on existing good practice, identifying current and future developmental needs and establishing new programmes of development and frameworks of support.

MOVING FORWARD TOGETHER

80. We want the higher education community to play a formative role in shaping actions, and rise to the challenge of achieving them. For that to happen our approach will aim to ensure this plan is owned and shaped by the higher education community itself, working together, supported by HEFCW, and the Assembly Government.

81. To this end we have taken the first steps to build on the recommendation of the Higher Education Review and set in place the elements to sustain a united national approach.

- An internal project board of officials from across the Assembly Government and HEFCW will oversee the implementation of this strategy.
- An external reference group, made up of a wide range of higher education stakeholders, will be the basis of strategic dialogue between the Assembly Government and the Higher Education Community. This will be an important means of gaining early understanding of, and commitment to, actions and priorities.
- The relationship between the Assembly Government, and HEFCW, as the body empowered by statute with strategic management and funding of higher education in Wales.

82. We will seek to use these elements, and specific targeted dialogue with HEFCW, HE providers, stakeholders and students to ensure that the spirit of the “Compact” suggested in Professor Jones’s report is taken forward.

Next steps

83. Through its role of delivering funding and strategic leadership of higher education in Wales, HEFCW will be asked to move forward with the actions set out in this strategy. These will include:

- making proposals in spring 2010 for actions in line with the objectives.
- proposing relevant indicators, targets, and milestones for the delivery of the new HE model described.

- decisively tackling shortcomings in institutional strategy and delivery.
- contributing to a strong constructive relationship between the Assembly Government, HEFCW and the Higher Education Community in Wales.

84. In this paper, we acknowledge the strengths of the current higher education system in Wales and set out the challenges that face it if it is to meet the needs of the future. We agree with Professor Jones's conclusion

'We believe that how we address these challenges is key to the wealth and well being of Wales, both as Wales emerges from recession and into the long term. On Wales's ability to capitalise on the potential of higher education rests our ability to compete economically, and fulfil our potential as a young devolved country with high ambitions.'

Higher education needs explicitly to be repositioned in our national priorities from now on. It has to become central to the task of creating thriving and enquiring communities in a prosperous and culturally alive Wales, and the higher education sector itself must rise to that challenge with imagination and dedication.'

85. We set out in this paper our vision for that future higher education system in Wales and of the vital contribution that it should make to the social justice and the future economic success of this nation, its communities and its people. This paper sets out a strategic direction through which that vision can be realised.

86. There will be much work to do over the coming years to achieve this ambitious and challenging vision – and that work needs and deserves strong leadership by the Welsh Assembly Government and HEFCW, commitment from all higher education providers and the support and involvement of the many organisations with a stake in the success of our higher education system.

87. That work begins immediately so that, together, we can shape the higher education system that we need for our future.