

Cylchlythyr | Circular

Consultation on HEFCW's Draft Corporate Strategy 2017-20

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To: Regulated institutions in Wales
Other interested parties
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This circular provides a consultation on the draft HEFCW corporate strategy 2017-20.

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Introduction

1. This circular provides a consultation on the draft HEFCW Corporate Strategy 2017-20.

Background

2. HEFCW's current Corporate Strategy was prepared in 2012/13 following extensive consultation with the sector. A copy of the full strategy is here: [Corporate Strategy 2013-14 - 2016-17](#).
3. There have been many changes to higher education in Wales and to HEFCW's role since the strategy was prepared, including the implementation of a new Higher Education (Wales) Act 2015. That Act brought in changes to HEFCW's role, including a change from consideration of 'the sector' to 'regulated institutions' and higher education providers. Further consideration of the policy environment is given below.
4. The Well-being of Future Generations (Wales) Act 2015¹ puts in place seven well-being goals that support the sustainable development principle that public bodies must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Sustainable development is the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the seven well-being goals. This applies directly to public bodies such as HEFCW, which are listed in the Act, but does not directly cover universities and colleges.
5. The current corporate strategy was extended for a year to take account of the uncertainty surrounding the outcomes of major reviews of higher education funding and student finance and the post-compulsory sector. It was due to complete in April 2017. However, that Strategy has been extended further by agreement with Welsh Government officials, given continuing uncertainties in some areas, which are discussed below. That extension covers the period to 31 August 2017 and HEFCW has been asked to submit a draft strategy for 2017-20 to the Welsh Government by the end of July 2017.

The Policy Environment

6. A crucial change in the policy environment for UK higher education since the previous strategy has been the introduction of higher level tuition fees for full-time undergraduate provision from academic year (AY) 2012/13. In Wales, the provision of a tuition fee grant from the higher education budget led to a reduction in the funding available to HEFCW for allocation to HE

¹ <http://gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf>

providers by £216m from academic year 2011/12 to 2015/16, a reduction of 60%. This reduction in funding significantly affected HEFCW's policy leverage and made it more difficult to find ways of ensuring delivery of key priority areas, including those set out in our corporate strategy 2013-17. In response to concerns raised, the Welsh Government commissioned Professor Sir Ian Diamond to chair a review of higher education funding and student finance arrangements. The Welsh Government has responded to the recommendations of the review and this gives the direction of travel with regards to student finance and funding². However, further information is required to allow HEFCW to develop a view of future funding arrangements post 2018/19.

7. In response to the reduction in leverage achieved from funding, the HE (Wales) Act 2015 was passed giving HEFCW additional regulatory powers to replace funding levers with regulatory ones which cover fair access, quality, financial viability and organisation and management of financial affairs. Those institutions with a fee and access plan approved by HEFCW become 'regulated institutions' which are able to charge a tuition fee for FTUG students up to the Welsh Government maximum³.
8. In 2015/16, the Welsh Government commissioned Professor Ellen Hazelkorn to undertake a review of the oversight of post-compulsory education in Wales, with special reference to the future role and function of HEFCW. The report was published in March 2016 and the Welsh Government responded to the report recommendations by proposing the establishment of a single, strategic authority.⁴ At the time of writing the consultation has just been published on establishing a new Tertiary Education and Research Commission for Wales to provide oversight, strategic direction and leadership for the post-compulsory education and training sector.
9. In our remit for 2016-17 HEFCW was asked to 'work in partnership with providers to develop a Strategy for Higher Education in Wales looking forward over the next decade'. Following detailed consultation with a wide range of stakeholders - including Universities Wales, Colleges Wales / Colegau Cymru and NUS Wales - and a widely-attended consultation event in October 2016, we submitted a draft of the Strategy to the Cabinet Secretary in December 2016. Our proposed Strategy covered a 10-year period and was cast against the goals included in the Well-being of Future Generations (Wales) Act 2015. The draft is currently being considered by Ministers and, in the light of the Hazelkorn agenda, HEFCW has been remitted to work closely with Government as they move forward with their vision of a more coherent post-compulsory system. In the meantime,

² <http://gov.wales/topics/educationandskills/highereducation/reviews/review-of-he-funding-and-student-finance-arrangements/?lang=en>

³ https://www.hefcw.ac.uk/working_with_he_providers/he_wales_act_2015/he_wales_act_2015.a.spx

⁴ <http://gov.wales/topics/educationandskills/publications/reports/review-of-the-oversight-and-regulation-of-post-compulsory-education-and-training-in-wales/?lang=en>

recognising HEFCW's wish to develop a corporate strategy whilst other developments embed, the current HEFCW strategy has been extended allowing time for development and consultation on a new high-level strategy, taking account of the strategic objectives of the draft HE strategy. A copy of the proposed strategic objectives is attached at **Annex A**.

10. During the Corporate Strategy period, a new Higher Education and Research Bill was introduced in Westminster. This covered a range of higher education matters including a restructuring of the funding council in England to become an Office for Students and new arrangements for the funding of research through a new body, UK Research and Innovation (UKRI). The Higher Education and Research Act 2017 was passed in April 2017. We also await the full consequences from the outcome of the general election on 8 June 2017, which are also likely to impact on higher education, although it is a devolved matter.
11. Following the referendum in June 2016, the Westminster Government has invoked Article 50 of the Treaty of Lisbon, which commences the process of withdrawal of the UK from the European Union. Through various funding streams, including Horizon 2020 and the European Social Fund in Wales, Welsh higher education providers have benefited from EU funding. There is considerable uncertainty about how withdrawal might impact on the UK generally and specifically on Wales and on higher education providers in Wales, which has been intensified by the announcement of the general election which could set a different policy direction.

Review of the previous corporate strategy

12. As part of the preparation for our new Corporate Strategy, officers reviewed performance against the current 2013-17 Strategy.
13. A copy of the initial review of the previous strategy is attached at **Annex B**.
14. Information about the performance of higher education providers in Wales against the corporate strategy targets is included in our annual report.⁵

The Draft Corporate Strategy

15. Taking account of the uncertainty of the policy environment, as well as the reduction in the levers available to HEFCW through funding, HEFCW Council has agreed that our corporate strategy should be high level and focus on what HEFCW is able to do, rather than on sector deliverables. In a change to previous approaches, this draft strategy, attached at **Annex C**, is therefore cast around the HEFCW tasks of funding; regulating; influencing; and working in partnership with students in relation to higher

⁵www.hefcw.ac.uk/documents/publications/corporate_documents/Annual%20Report/HEFCW%20statutory%20accounts%202015-16%20English.pdf

education, as well as being an effective organisation. We will continue to undertake those roles in pursuit of our ongoing vision for

sustainable, accessible, internationally excellent higher education in Wales.

16. The policy context is as set out in the paragraphs above and the draft strategic objectives set out in Annex A, but our eventual objectives will be those set out in the new Welsh Government post-16 strategy which we will feed into. **Given that this draft corporate strategy is likely to be amended and is therefore very brief, we have set a shorter consultation period.**
17. Crucial to our deliverables are our three Well-being objectives, prepared in response to the Future Generations Act and set out on page 2.
18. In line with the steer from HEFCW Council to focus on HEFCW, we have set out 12 HEFCW Success Factors on page 6. No measures or targets for higher education provider performance are included in this document. However, one of the initial tasks included in order 'to influence with evidence based advice and strong partnership working' is the development of measures by which to monitor the performance and delivery of higher education providers. We plan to consult on such measures later in the year.

Consultation questions

19. Regulated institutions and other interested parties are invited to comment on this circular and annexes, particularly the draft HEFCW Corporate Strategy 2017-20. It would be helpful if respondents could use the following questions in their responses.

Q1 – are there additional high level factors in the policy environment which we need to take account of?

Q2 – do you have any comments on the review of the previous strategy?

Q3 – do you have any comments which will inform the development of measures to monitor the performance and delivery of HE providers?

Q4 – are there any other high level tasks we have omitted between 2017-20?

Q5 – do you have any comments on the HEFCW success factors?

Q6 – does the strategy have any positive or negative impacts in terms of equality and diversity, Welsh language, or Future Generations?

Q7 – do you have any other comments?

20. Please submit your responses to Sheridan Nott (tel 029 2085 9660, email sheridan.nott@hefcw.ac.uk) by **Wednesday, 12 July 2017**.

Further information

21. For further information, contact Celia Hunt (tel 029 2085 9731; email celia.hunt@hefcw.ac.uk) or Steve Williams (tel 02920 859 744; email steven.williams@hefcw.ac.uk).

Assessing the impact of our policies

22. We will carry out an impact assessment screening to help safeguard against discrimination and promote equality; the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales and impacts on sustainability. This consultation will inform that impact assessment. Contact equality@hefcw.ac.uk for more information about impact assessments.

Draft Higher Education Strategy - strategic objectives

1. More people of all ages have the opportunity to study and succeed in HE, regardless of their socio-economic background, protected characteristics or other circumstances.
2. Increased availability of flexible learning options, including part-time provision, higher apprenticeships, work-based learning and distance learning to meet the diverse needs of learners.
3. Increased academic and vocational pathways to HE from school, further education and work-based learning, including through the medium of Welsh.
4. HE providers' civic engagement increasingly runs across society, the economy and communities.
5. HE providers demonstrate effective equality and diversity policies and practices, are exemplars of sustainability and secure the well-being of their staff and students.
6. HE providers in a strong competitive position nationally and internationally.
7. Students experience excellent higher education and work in partnership with providers to enhance it.
8. Provision meets the relevant professional, statutory and regulatory bodies' requirements, is high quality and results in highly adaptable graduates.
9. An increase in the range of subjects which can be studied substantially through the medium of Welsh in HE, and in the numbers of Welsh medium students.
10. More graduates have the skills to use Welsh in their professional life, including through careers where they work directly with the public.
11. HE provider staff and students enrich Welsh culture.
12. More people of all ages in Wales develop and use the knowledge and high level skills that are vital to the current and emerging needs of Wales.
13. Graduates from HE providers in Wales have a greater understanding of the impact of their choices on other people, the economy and the environment.
14. Graduates from HE providers in Wales are more entrepreneurial and employable.

15. HE providers work collaboratively and responsively to meet regional and pan-Wales needs of employers, providing a skilled, adaptable workforce for the future.
16. A research base that is increasingly dynamic and innovative, capable of responding flexibly to new and emerging challenges and opportunities, and financially sustainable in the longer term.
17. The excellence and impact of research in Wales is further increased.
18. The HE system is readily accessible to external partners, leading to more effective partnership working between HE providers and employers in Wales.
19. More new businesses, including social enterprises, are established, sustained and grown in Wales as the result of knowledge generated in HE providers.
20. International cooperation increases in world-leading research collaboration and high quality transnational education provision.
21. More opportunities are offered for HE students and staff to participate in outward mobility experiences.
22. An enhanced global standing and international reputation of HE, and more strategic engagement with other HE systems.
23. A greater contribution by HE providers to address global challenges, including those faced by developing countries and emerging economies.
24. More international students, staff and strategic international partnerships enrich the knowledge, culture and economy of Wales.