

Welsh Government response to the recommendations from the Review of Student Support and Higher Education Funding in Wales (‘the Diamond Review’)

Background to the Review

In November 2013, the Welsh Government commissioned a Review of Higher Education Funding and Student Finance Arrangements in Wales. The Review, chaired by Professor Sir Ian Diamond, ran from April 2014 to September 2016. On 27 September 2016, the Cabinet Secretary for Education published the Review Panel's final report.

The Review Panel considered a wide range of evidence during the course of its work. This was summarised in its interim report, which was published in December 2015. The Review Panel's final report proposed a costed package of recommendations for the future funding of higher education in Wales. The report advised that the package of recommendations comprises interlocking elements that should be seen in their entirety and that require action by the Welsh Government, the Higher Education Funding Council for Wales (HEFCW), universities and other stakeholders. The report also presents several recommendations for wider higher education, for example in relation to research and Welsh-medium provision.

The reports from the Review are available on the Welsh Government website via the following link:

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

Recommendations and Welsh Government response

This document presents the Welsh Government's detailed response to the recommendations put forward by the Diamond Review Panel. We have set out in a separate consultation document our proposed actions that will lead to material changes to the current student finance system. This will provide anyone with an interest in higher education in Wales with an opportunity to comment on our proposals.

We propose to adopt a phased approach to those of the Review Panel's recommendations that we have accepted. This will allow us to prioritise the Welsh Government's actions and focus on those areas where we believe work is needed most urgently.

Recommendations to be implemented immediately

There are three recommendations that we have accepted with a view to implementing the proposed approach from 2017/18. This will allow an opportunity to establish a baseline against which we can monitor any future changes as the new student support system is introduced. We also recognise the need to plan our approach to evaluation as early as possible and so will be considering this as a priority from the outset.

Recommendation on the price of 'goods' at universities

'HEFCW should, annually, collect the prices of a basket of goods for each university and publish them.'

Response: accept.

We also strongly agree with the Panel's views that students should not expect there to be major increases in the cost of goods as a result of the Panel's recommendations.

Key action: The Welsh Government will ask HEFCW to take forward the recommendation and, from 2017/18 we expect the Funding Council to start compiling (with a view to publishing) the prices of goods for each institution in Wales.

Recommendation on evaluation

'The Review Panel recognises the importance of ongoing evaluation and therefore recommends that the Welsh Government should, in collaboration with stakeholders, undertake statistical and research work to monitor and evaluate the implementation of proposed reforms in order to assess their impact, to understand what works and to learn and apply lessons about the best way to implement these and future reforms.'

Response: accept.

Key action: We will work with stakeholders to map out in detail the statistical and research work required to evaluate the operation and impact of changes and reforms that result from proposals in this paper, and to undertake post-implementation reviews of any legislation that is required.

Recommendations on HE through the medium of Welsh

- **'Welsh Government to work with the Coleg Cymraeg Cenedlaethol, HEFCW, the HEIs and other stakeholders such as further education institutions, schools, the National Centre for Learning Welsh, employers and national voluntary and community-based organisations in order to secure maximum impact and greatest value from public investment in, and support for, Welsh-medium higher education.**
- **To support a sustainable funding model, annual investment from HEFCW in the Coleg Cymraeg Cenedlaethol and its scholarship programme should be**

maintained at least at the level for academic year 2016/17 (£5.8m).'

Response: accept and consider.

Support for Welsh language provision at all levels of education remains a Welsh Government priority. We accept, therefore, the first proposal relating to Welsh-medium provision

We will consider the second proposal, which relates to future funding for the Coleg Cymraeg Cenedlaethol.

Key action: We have established a task and finish group to review the activities of the Coleg and make recommendations on the future. The review will inform future policy and budget decisions regarding the Coleg and will also consider the relationship between the Coleg and the further education sector.

Recommendations to be implemented from 2018/19 onwards

There are nine sets of recommendations, including core recommendations on student support funding (covering full-time, part-time undergraduate and postgraduate), that we have accepted with a view to introducing changes from 2018/19. Our proposals are set out in a separate consultation document.

Recommendation on the focus of undergraduate support

'The focus of undergraduate support should move towards improved maintenance support arrangements for all full-time and part-time undergraduate students, with the highest level of grant support covering the full cost of maintenance for those who are most in need, together with loans to cover tuition fees.'

Response: accept.

The Welsh Government accepts that the focus of undergraduate support should move towards improved maintenance support for full-time and part-time students.

Recommendations on tuition fee level for full-time undergraduates

'Universities should be able to charge students an annual fee of up to £9,000 (or whatever the Welsh Government agrees should be the maximum fee) for their course, regardless of the subject being undertaken.'

Response: accept.

The Welsh Government remains opposed to full cost or near full cost fees. We do not believe that higher education should be organised on the basis of a market and we are concerned at some of the reforms that are being proposed in England.

However, we recognise that HE institutions must be able to operate across national

boundaries, must be able to react to reforms in England, and need to remain competitive in an environment which has a significant cross-border flow of students. We recognise, therefore, that HE institutions should be able to continue to set their tuition fee levels at around £9,000. However, we will, continue to review the position in the light of developments in England, including the introduction of the Teaching Excellence Framework.

As we have demonstrated with the current fee plan arrangements, we believe that the current system should be subject to a degree of regulation in order to ensure that students derive the maximum benefits from the provision offered.

Key action: We will ask HEFCW to explore how fee and access plans can be further strengthened in line with Welsh Government policy priorities relating to widening access and ensuring fair access to HE.

Recommendations on tuition fee support for full-time undergraduate students – loans

- **'The current Tuition Fee Grant for full-time undergraduate students is replaced with an additional student loan, up to a maximum fee level of £9,000 (or whatever is the maximum fee agreed by the Welsh Government).**
- **For those wishing to repay their loan there should be an option for direct payment or early repayment.**
- **Loan repayments would continue at a rate of 9% of the graduate salary above £21,000 (frozen until 2021) and the discount rate applied to repayments set by HM Treasury (currently 0.7%). This is the UK wide repayment policy.'**

Response: accept.

We believe that access to higher education should be based on an individual's ability and potential to benefit, not on what they can afford to pay. In 2010, the Welsh Government reluctantly agreed to raise fee levels in Wales, because of the impact that UK Government policies have had on our budgets and on the competitive position of Welsh HE institutions.

The existing tuition fee policy had a significant impact on the level of debt for Welsh students wherever they studied in the UK, as well as enabling institutions in Wales to continue to increase their income during a period of austerity. However, we recognise the need to reconsider the student support system to ensure its future stability and sustainability and recognise that the evidence submitted to the Review Panel suggests that there are alternative priorities for students.

We remain committed to the principle of no up front fees for students and accept the proposal outlined by the Panel.

Key action: The Welsh Government will prepare legislation that provides that Welsh-domiciled students beginning their courses from the start of academic year 2018/19 will be eligible for subsidised loans to meet the full costs of fees wherever they study in the UK.

Recommendation on maintenance support for full-time students – grants and loans

- **'A £1,000 non-means-tested universal Maintenance Grant available to all Welsh domiciled students.**
- **Additional means-tested grant to cover living costs.**
- **Maintenance Loans to be available for those not eligible for grant.**
- **The top rate of Maintenance Grant and/or loan support, for a student living away from home outside London, should be equivalent to the National Living Wage – based on 37.5 hours per week over a 30 week period (currently £8,100). A maximum total grant of 25% more (£10,125) to be available for a student living away from home in London and 15% less (£6,885) for students living at home (based on current differentials in maintenance support).**
- **The means-testing taper for Maintenance Grant support should be flatter than the current taper. It is suggested that the upper eligibility level/household income threshold for the means-tested element should be increased from £50,020 (current upper grant eligibility level for students living away from home, outside London) to just below the top rate of tax for a two income household. (The amounts used for modelling purposes to be based on the latest ONS (GB) household income data for the 9th decile = £81,000 households.)**
- **No additional Maintenance Loan available for those receiving the maximum grant (and/or replacement loan when the Maintenance Grant is lower).**
- **The Maintenance Loan to be non-means-tested for students from higher income households receiving a grant less than the maximum. The amount of loan available to be equal to the maximum grant, less any means-tested grant.**
- **Maintenance support to be paid to students on a monthly basis to enable more efficient financial planning and budgeting.'**

Response: accept in principle.

The Welsh Government recognises that support for living costs is a significant issue for many students, as highlighted in the Review Panel's report and in the National Union of Students' 2014 report, *Pound in Your Pocket*. We also accept the Review Panel's finding that additional support should be provided to the 'squeezed middle.'

We accept, therefore, the recommendations on maintenance support for full-time students and endorse the principle that the support on offer to students should be equivalent to the National Living Wage. We welcome the proposal for an element of universal support, confirmation that those most in need will receive support in the form of a non-repayable grant, and the proposal that the 'squeezed middle' will get some additional means tested support.

However, we believe that the alternative iterative variation (set at the 8th decile – £59,200) for the means tested element of the maintenance grant would be sensible and prudent given the current financial outlook for the public sector in Wales.

The Welsh Government believes that the introduction of this generous system of support will encourage students from all backgrounds to attend higher education. As with all demand-led student support, there is a need to ensure that the policy remains sustainable in the longer term. The Welsh Government will, therefore, need to ensure that there is a fair distribution of risks between the Government, HE institutions and students. We propose, therefore, to form a working group to consider how this can best be achieved. This group will consider the sustainability of links to the National Living Wage, specifically the balance of loans and grants and the introduction of controls on student numbers/costs. We will expect this group to report within one year so that proposals can be considered before a full cohort of students has entered the system.

Key action: The Welsh Government will work with the Student Loans Company to implement a system of monthly maintenance payments as soon as is practicable. However, we will need to discuss the implications of the monthly payments with stakeholders to ensure that there are no unintended consequences as a result of the changes (for example, we will need to consider the implications for paying rent, etc) before we implement a revised system. It is likely that this component will not be in place for the start of the 2018/19 academic year. We will work with the SLC to ensure that monthly payments are introduced as soon as is practicable.

Key action: We will consult on our proposals for full-time undergraduate tuition fee and maintenance support, with a view to introducing any changes in 2018/19.

Key action: The Welsh Government will prepare legislation that will enable those who have been in a care setting to receive the maximum level of maintenance grant from 2018/19. This will apply to both full-time and part-time undergraduate students.

Recommendations on tuition fee levels and support for part-time undergraduate students

- **'Part-time students receive on a pro-rata basis a modified version of the maintenance support available for full-time undergraduate students (i.e. a £1,000 non-means-tested Maintenance Grant, with additional means-tested grant up to a maximum based on £6,000 full-time equivalent, but with the maximum grant available up to a £25,000 household income).**
- **Plus they are charged moderated fees (pro-rata fee based on £6,000 FTE) topped with a grant to the HEI through HEFCW. The grant amount is determined by applying the difference between the full-time and part-time RAB to the average loan (fee and maintenance) available to part-time students. This aims to ensure that public investment in part-time students is comparable to that for full-time students.**
- **A Tuition Fee Loan is available to cover the full moderated fee.**
- **The Tuition Fee loan, maintenance support, and the institutional grant to the HEI should be made available in respect of part-time students who study on a module by module basis, as well as those who register for a qualification, with no restriction on those who have previous equivalent level qualifications at HE level.**
- **The targeted grants and allowances that exist for part-time undergraduate**

students, namely the Childcare Grant, Adults Dependants Grant, Parents' Learning Allowance and Disabled Students' Allowance, should remain in place.'

Response: partially accept.

Part-time HE provision remains a priority for the Welsh Government and we believe that it is crucial to increase opportunities for individuals to up-skill and improve their employment prospects. We also continue to recognise the importance to industry and local economies of ensuring that opportunities exist to study part time, both in higher and further education. The Welsh Government is, therefore, pleased to accept the principle of parity of support for part-time students and we hope that this will enable the expansion of part-time provision in Wales.

However, we have a number of concerns about the stability and sustainability of a system that removes existing restrictions on previous equivalent or lower qualifications (ELQs), that allows access to part-time study below an intensity of 25%, and that is not regulated in the same way as the full-time undergraduate system.

It is proposed, therefore, that Welsh Government moves to a fully regulated part-time system by 2021. This delay will allow the Welsh Government time to discuss with stakeholders how it controls and shares risk (for example, student number controls), and how it can continue to encourage and fund students who wish to study at an intensity below 25% and students who have an ELQ.

Key action: We will prepare legislation that implements the maintenance and tuition fee support proposals contained in this recommendation as soon as possible. We will also request ideas on how we can promote study at lower intensities in a stable and sustainable manner.

Key action: We will consult on our proposals for part-time undergraduate tuition fee and maintenance support, with a view to introducing any changes in 2018/19.

Key action: We will explore with stakeholders which subjects/priority areas can be added to the current list of exemptions for ELQs.

Recommendations on postgraduate taught (PGT) Masters provision

Support for PGT students

- **'Postgraduate students receive the same level of maintenance and tuition fee support as undergraduate students (ie Tuition Fee Loan up to the current £9,000 maximum; non-means-tested Maintenance Grant; and means-tested grant or non-means-tested loan).**
- **The maximum Tuition Fee Loan available to a Welsh student studying outside Wales should not exceed that required in Wales.**
- **A re-application process should be introduced for any student seeking to undertake a PGT course (whether as an additional year of study added on to their undergraduate degree course or as a stand-alone Masters degree**

course). '

PGT tuition fee level

'To control the amount of public investment/government contribution towards the cost of PGT provision it is recommended that:

- **HEIs in Wales continue to set their own fee levels for PGT provision.**
- **But, a maximum fee support level should be agreed via HEFCW for Welsh students for funding/fee loan purposes (up to the current maximum of £9,000).**
- **HEFCW would also be required to obtain detailed evidence of historical cost data when setting the maximum fee/loan rate.**
- **It is expected that Masters Course would be of one year's duration but we note the Furlong Review of Initial Teacher Training and support a two year programme for these students.'**

Response: partially accept.

We recognise the value of postgraduate study for both students and for the wider contribution students can make to the economy, society and to the future economic prosperity in Wales. We recognise, too, that in some fields, postgraduate qualifications are becoming the expected standard for individuals to have attained.

Whilst we accept the principle that postgraduate students should be entitled to the same level of support as undergraduate students, the complexity in regulating postgraduate courses outweighs the benefits of providing support in this way. The Welsh Government will, therefore, prepare legislation to allow a means tested contribution to the costs of undertaking a postgraduate course. The general contribution can be used to cover students' tuition fees or maintenance costs and will be equivalent to the undergraduate full-time support. This support will only be available for one year or on a pro-rata basis if study is undertaken over a two year period. This level of support will be portable and will be available to students wherever they choose to study in the UK. We believe that this will ensure the implementation of a system that minimises bureaucracy and provides the students with flexibility.

There are still a number of complexities that need to be considered by the Welsh Government, including the potential for legislation to enable implementation of these recommendations, and the need to manage costs, for example through the regulation of students numbers. We propose, therefore, to form a working group to consider the sustainability of the proposals and the potential need for the introduction of controls on student numbers/costs. We will expect this group to report within one year so that the proposals can be considered before a full cohort of students has entered the system.

We accept the proposal regarding PGT tuition fee levels in principle and agree that HE institutions should be able to set their own fee levels for postgraduate taught provision. However, we have some concerns about the potential complexity and sustainability of an approach that requires HEFCW to set a maximum fee level. In particular changes to primary legislation would be necessary. We will, therefore, give

this further consideration, in discussion with stakeholders.

Key action: We will consult on our proposals for full-time postgraduate tuition fee and maintenance support, with a view to introducing any changes in 2018/19.

Recommendations on higher cost subjects

Full-time provision

- **'The fee to be topped up, via the HEFCW, with premium payments direct to Welsh HEIs. Payment to reflect the cost of teaching as measured by TRAC(T)¹ (or some comparable means).'**

Part-time provision

- **'HEIs to receive a top up payment that reflects the cost of teaching – allocated directly to HEIs on the basis of the number of students by HEFCW. HEIs to be eligible for this top up by being able to demonstrate that they delivered part-time education in a manner that encouraged students to be able to earn as they learn.'**

Response: accept.

The Welsh Government accepts the principle that the cost of provision is variable and that there will be courses that are more expensive to deliver than the maximum fee level of £9,000. Conversely there is also provision that costs less to deliver than the fee charged. We understand, therefore, that there is a degree of cross subsidy built into the current system. However, we do not believe in penalising undergraduate students who have chosen to study a more expensive subject, for example Medicine, by charging them over £9,000 per year.

This aligns with our commitment to widening access to higher education and ensuring that all who have the potential to benefit from higher education have an opportunity to undertake it. Implementing this recommendation would recognise the additional financial costs for institutions in delivering such provision, whilst protecting students from an inordinately high level of fee. The funding would be allocated to the Funding Council through the normal Welsh Government budgeting process. We will phase in the new arrangements in order to take account of matters such as cohort protection.

Key action: We will explore opportunities to regulate student numbers within the provision of higher cost courses to ensure the sustainability of this proposal.

Key action: We will ask HEFCW to consider how to manage the provision of payments to reflect the cost of teaching more expensive subjects.

¹ HEFCE report on high cost subjects analysis using TRAC(T)
http://www.hefce.ac.uk/media/hefce/content/data/2012/tracthighcost/TRAC_methodology_for_high-costs_subjects.pdf

Recommendations on cross-border study

'Subject to necessary regulation:

- **Student support should be portable and available to Welsh domiciled students that choose to study anywhere in the UK or in other European Union States (subject to the UK remaining in the EU).**
- **The Welsh Government to explore possibility of running a pilot scheme to establish whether it is possible or desirable to extend the student support package beyond the UK and EU – for Welsh domiciled students that choose to study further afield for the whole of their degree programme. (The proposed pilot would be study at not-for-profit organisations with a recognised track record of quality provision).'**

Response: accept.

The Welsh Government agrees that it has a responsibility to Welsh-domiciled students, wherever they choose to study, and we accept the recommendation that student support should be portable and available to Welsh-domiciled students who choose to study anywhere in the UK.

However, we are concerned about the level of complexity involved in extending support to students who choose to study in the European Union (EU) (particularly in the light of the result of the EU referendum). We recognise that this recommendation supports the principle of investing in the future of Welsh students. However, careful consideration needs to be given to the potential future funding and administrative implications of operating such a scheme. This includes gauging the potential level of demand from learners for such support.

We will, therefore, run a pilot scheme to explore the practicalities of extending the student support package beyond the UK and EU. In order to take this forward, we will form a short-term working group to devise a scheme and an evaluation framework that will allow us to consider evidence before deciding the best way to expand any provision.

Key action: We will give further consideration (with student representative bodies) to developing a system of support for students who choose to study outside the UK in the light of developments arising from the vote to leave the EU.

Key action: We will evaluate the need for the designation of HE courses for the purposes of student support, as well as the way in which such institutions are regulated in terms of quality and financial management.

Key action: We will run a pilot scheme to explore the practicalities of extending the student support package beyond the UK and EU.

Recommendations on Quality Research (QR) funding and knowledge transfer

QR funding

- **'Welsh QR funding should be maintained in real terms at its current level of**

£71m per annum over the next five years.

- **Welsh higher education institutions should demonstrate annually to HEFCW how they use these funds strategically.'**

Response: accept in principle.

We accept these recommendations and support the principle of HE institutions reporting on their use of QR funds. We should expect reporting on the use of QR funding to reflect the expectations of funding councils, such as relevance to policy-making and demonstrating an impact. The dual funding mechanism supports research salaries and research infrastructure, and it is vital to support and grow the research and innovation base in Wales. This is also crucial to help redress the short fall in STEM researchers in Wales through university support for programmes such as Sêr Cymru.

Knowledge transfer

- **'Universities ensure that their students are educated so that they can be the future drivers of both the economy and society – students often receiving education in entrepreneurship; and employer advisory boards will be common.**
- **Universities commit to maximise the social and economic impact of their research and, where appropriate to co-produce research with potential beneficiaries.**
- **The Welsh Government, through HEFCW, to provide a dual support system of funding knowledge exchange, with around two hubs receiving core funding to enable agile and flexible engagement between HEIs and industry; together with a simple, flexible project based funding of initiatives aimed at projects that will impact on the Welsh economy.**
- **The Welsh Institute for Social and Economic Research and Development to receive core funding from the Welsh Government to impact on social policy, on a five year basis, against an expectation of the majority of its funding coming from projects.'**

Response: consider.

We accept the proposals relating to student education, knowledge transfer and dual support funding. We will consider them further in conjunction with HEFCW and the HE sector and in the light of future budget settlements for the Welsh Government.

With regard to the proposed dual support system, we agree with the need to ensure that the economic and social benefits that can be derived from universities are maximised. Relevant strands of funding need to be committed to ensuring real economic outcomes. We will work with HEFCW and HE institutions to ensure that publicly-funded projects are subject to clear metrics and expectations at the outset, with a clearly defined potential for economic impact, research excellence, and social benefits.

We agree that we should make use of the social science research expertise and capacity that exist within HE institutions in Wales, to facilitate knowledge transfer

across the social sciences and to help ensure that Government and public services policy and practice in Wales are fully evidence-led. We also agree that core funding would allow the right organisations to fulfil this role. Provision of core funding should not impact upon the eligibility of any organisation to contract, or to sub-contract, to deliver Welsh Government funded projects.

Co-production is an area that needs careful consideration. A component of co-production may be beneficial to some research, but is not necessary for research excellence or social and economic benefits.

Whilst we recognise the important contribution that the Welsh Institute for Social and Economic Research and Development (WISERD) makes to social and economic research in Wales, we need to give careful consideration to the legal implications of Welsh Ministers seeking to provide direct funding to WISERD. At this stage, therefore, we can only commit to considering this proposal in the light of current statutory arrangements.

Recommendations that are accepted for future implementation

There are five sets of recommendations that we have accepted, either wholly or in principle, with a view to implementing them in the longer term. This will allow us to focus on the delivery of changes to the student support system from 2018/19 and will allow us further scope to consider the detailed implementation of these remaining recommendations.

Recommendation on incentives for graduates

'Welsh Government to incentivise students, in the medium term, to bring or retain their skills to the benefit of Wales. Welsh Government to consider how this could be done so as to permit partial loan cancellation for those working in jobs in Wales that required a loan repayment.'

Response: consider.

The Welsh Government will continue to make legislative provision for the partial cancellation scheme, which reduces students' maintenance loan balance by up to £1,500 when they start repaying their students loans. Given the complexity of the repayment of student loans regulations we believe that it would be difficult and costly to implement further expansion of incentives to graduates in this policy area.

However, the Welsh Government is committed to developing opportunities for young people and meeting the skills needs of Wales. We recognise that offering incentives for graduates to remain in, or return to, Wales could be one potential means of addressing these priorities, and there may be specific situations where an intervention of this nature would be in the best interests of Wales, for example some areas of the NHS where difficulties are experienced with the recruitment and retention of specific groups of staff.

Key action: We will continue to run the existing partial cancellation scheme,

whereby students are eligible for a partial cancellation of their maintenance loan once they start repaying their loan. We will continue to work to develop solutions for specific groups of staff. We invite those with specific proposals on incentivisation to respond to the Government's consultation.

Recommendations on targeted support

Students with experience of care

- **'Welsh Government makes every effort to identify those with experience of care.**
- **Further and higher education providers should provide personalised support packages and be prepared to both transfer credits and to have flexibility to permit multiple starts.**
- **Those with experience of care should receive the maximum Maintenance Grant.'**

Students with disabilities

- **'Welsh Government, in consultation with HM Treasury, to consider what further assistance can be offered.'**

Students who are parents

- **'Welsh Government, through HEFCW, to work with the universities and the NUS to develop strategies to help students to combine their study with their family responsibilities.'**

Response: accept.

We accept these proposals, whilst noting the need for further consideration of the detailed support needed for particular groups of students.

Students with experience of care

The Welsh Government's national strategy to support the education of looked after children in education, *Raising the ambitions and educational attainment of children who are looked after*, was published in January 2016. This is a joint education/social services strategy to reflect the intrinsic relationship between the social context of the child and their educational attainment. The strategy identifies targeted action to better support educational attainment. It is supported by an action plan and we will be monitoring progress against the plan annually. We will work with the regional education consortia, local authorities and schools to deliver the commitments in the strategy. We have established a National Strategic Group comprising key partners to drive this work. The strategy is underpinned by some £4 million annually through the Pupil Deprivation Grant. Regional education consortia will work with local authorities and schools to support children who are looked after in education.

Key action: The Welsh Government will prepare legislation that will enable those who have been in a care setting to receive the maximum level of maintenance grant from 2018/19.

Students with disabilities

Welsh Ministers are committed to the promotion of social mobility and widening access to higher education. Each academic year (AY) around £9m of Disabled Students' Allowances (DSAs) are allocated towards a range of support as part of the HE statutory student support package. DSAs assist with the additional expenditure a student is obliged to incur in order to attend a designated higher education course because of a disability.

Following the announcement of changes in England in 2014, the DSAs policy in Wales is being reviewed to ensure that DSAs funding is being targeted effectively. The review aims to improve and maintain the quality of service to students, achieve value for money, and determine which types of support for disabled students should be supplied to students by DSAs and which should be provided in part or whole by HE providers in accordance with the duties placed upon them by the Equality Act 2010.

Key action: The Welsh Government has set up a working group to consider the DSA policy and processes. A consultation will be carried out during AY 2016/17 to seek views on proposed changes to support for disabled students in higher education from AY 2018/19.

Students with caring responsibilities

The Welsh Government makes every effort to identify those with caring responsibilities.

Key action: We will, in consultation with the Department for Work and Pensions, consider what further assistance can be offered.

Key action: The Welsh Government will work, through HEFCW, with the universities and the NUS to develop strategies to help students to combine their study with their caring responsibilities.

Recommendations on postgraduate research (PGR) funding

'A Welsh Postgraduate Research Scholarship Scheme should be instituted as follows:

- **There should be 150 scholarships per year for an initial three years and then subject to a review, with the scholarships covering both fees and maintenance.**
- **The cost will be split equally between the host university; the partner organisation (business, third sector or other donor organisation); and Welsh Government.'**

Response: accept.

We accept this recommendation and recognise that this would go some way to addressing the identified shortfall in the number of researchers in Wales.

Key action: We will work with Universities Wales and HEFCW to consider how and when this could be implemented and administered.

Key action: In addition, we confirm that the Welsh Government intends to offer additional loan support for postgraduate research students who are not successful in obtaining a scholarship/bursary. This support will be available on the same basis as that offered by England.

Recommendation on intergovernmental relations and the Student Loans Company

- **'The Joint Ministerial Committee, at the highest levels, should consider the better coordination of student finance policy between the administrations of the UK without prejudice to devolved decision-making. The Panel welcomes the SLC's willingness actively to explore with the Welsh Government options for implementing the recommendations of this report without delay.**
- **Depending upon the outcome of that joint work, the Panel recommends that consideration be given, if necessary, to the scoping a new system of student loan administration for Wales.'**

Response: accept.

Key action: We accept the recommendations and the Cabinet Secretary for Education will write to Ministers in the other UK administrations requesting regular Ministerial meetings to discuss policy developments and delivery of student finance reforms.

Key action: The Cabinet Secretary for Education has been working with the other UK administrations and the SLC to develop alternative commissioning arrangements to ensure that Welsh Government is able to implement policy reforms in a timely manner.

Key action: Work has commenced on scoping alternative options to the Student Loans Company for the delivery of Student Finance Wales if the Welsh Government is unable to gain assurance on the delivery of future reforms.

Recommendations on higher vocational and technical education

'Welsh Government to support financially the development of new employer-sponsored HE programmes or Higher/Degree Apprenticeships involving universities, colleges or training providers, through new public investment of £1m per annum.'

Response: accept.

We agree the need to increase the availability of higher level apprenticeship programmes, especially in key areas such as Engineering and Advanced Manufacturing. In the light of future budgetary settlements for the Welsh Government, further consideration will be needed to decide if the proposed funding

is sufficient to deliver the objectives. To aid this we will commit £500k for the development of relevant degree level content to support higher level apprenticeship frameworks during 2016/2017. From 2017/2018 onwards, we will commit a further £5m to test and undertake wide-scale piloting of these arrangements.

Key action: We will ask HEFCW to develop the investment in higher level apprenticeships. A request for the development of investment in higher level apprenticeships was included in the Cabinet Secretary for Education's revised remit letter to HEFCW on 18 October 2016.

'Welsh Government to increase the resources currently provided in the Skills Priorities Programme, enhancing Colleges' capacity to provide employment-focussed level 4, 5 and, where appropriate, level 6 qualifications. Colleges seeking to recruit HE students directly could be helped to seek Regulated Institution status under the HE (Wales) Act 2015, once quality of provision at this level was externally assured. Other colleges may wish to use this investment to develop their capacity to enhance franchised provision. Funding from government to come through an agile and simple process and be budgeted at £1m per annum.'

Response: accept in principle.

We accept the need for further education colleges to be able to increase their capacity for the delivery of levels 4 and 5 (and level 6 where appropriate) as part of mainstream activities. However, further discussion is needed on the appropriate funding mechanism to enable the deliver of the objectives.

In the light of future budgetary settlements for the Welsh Government, further consideration will be needed to decide if the proposed funding level is sufficient to deliver the objectives.

'Welsh Government to work with Qualifications Wales and UK on proposals for a Technical Education Accreditation Council, allowing better range of work-focussed short-cycle HE qualifications. Welsh Government to examine proposals in BIS White Paper Success as a Knowledge Economy on Degree awarding powers and their implications on existing partnership arrangements, with aim of encouraging more flexible and responsive HE provision for students and employers.'

Response: accept in principle.

We agree that there is a need for a broader and more flexible range of work-focussed HE qualifications that can be delivered via part-time provision. We will work towards the expansion of level 4 and level 5 qualifications delivered by FE colleges and will give consideration to how this should be developed, but would need to consider how this fits with developments in England and the two other devolved administrations.

'Examine proposals in the BIS White Paper Success as a Knowledge Economy on Degree awarding powers and their implications on existing partnership arrangements, with a view to encouraging more flexible and responsive HE provision for students and employers.'

Response: accept.

We note that work has been undertaken with the Open University and Colleges in Wales to explore options where there are currently no arrangements for validation and franchising with university partners. We also note the arrangements being proposed in the Higher Education and Research Bill.

Recommendations that we will consider

There are two recommendations that we will need to consider further before deciding whether to accept them.

Recommendation on Learned Society for Wales (LSW)

'We recommend that the LSW should receive funding of £1m per annum, directed through HEFCW against a set of objectives agreed between the LSW and HEFCW, taking into account important future challenges and priorities for the Welsh Government.'

Response: consider.

Key action: We will ask HEFCW to consider how the Learned Society for Wales could complement the current provision of services for the purposes of (or in connection with) the provision of education or undertaking of research by institutions with the HE sector. We will also consider if the potential use of funding from HEFCW's budget would be both possible and justifiable.

Recommendation on the Higher Education Funding Council for Wales (HEFCW)

'HEFCW to have an amount of unhypothecated funding to drive change in areas associated with Welsh Government priorities; examples including projects to impact on the social aspects of widening access; university efficiencies; interventions to simplify the learner journey. It is expected that all such projects would be jointly funded with HEIs.'

Response: consider.

Key action: We will consider this proposal in the light of both wider budgetary discussions relating to higher education and HEFCW's ability to fund specific activities.

Recommendations that we have rejected

We have rejected two recommendations on the basis of their achievability and sustainability in the light of other Welsh Government priorities.

Higher cost PGT subjects

- **'That the fee be topped up, via HEFCW premium payments direct to HEIs. Payment to reflect the agreed cost of teaching.'**

Response: reject.

Given that the Welsh Government does not intend to regulate postgraduate provision, together with the lack of available data about the actual cost of teaching, we do not think that it is sustainable to provide additional funding for postgraduate taught courses in the same way as for full-time and part-time undergraduate provision. We will monitor closely the impact that the new postgraduate support package has on take up of provision and will reconsider this issue at a later date.

Higher vocational and technical education

'Welsh Government to issue suitable apprenticeship frameworks itself, when needed, to allow greater access to Apprenticeship Levy monies to all HE providers. This flexibility would benefit both employers and learners. This may require legislative change.'

Response: reject.

A range of new Welsh Apprenticeship Frameworks (that include Degree level qualifications) will be developed in conjunction with employers, sector bodies, Sector Skills Councils, further education and higher education institutions across Wales.

The Apprenticeship Levy is a UK Government tax. In Wales we will look to ensure access to our apprenticeship system will be based on alignment with Welsh Government priorities which are based on economic need. Proposals to fund the delivery of this approach will be brought forward during 2017.

Recommendation that we have noted

There is one recommendation that we have noted. Any further action in this area will be taken forward by the Welsh Government in response to the review of support for publishing in Wales.

Recommendation on the University of Wales Press

'The Review supports the establishment of a Review into the Welsh Government's support for publishing in Wales and sees this as the vehicle through which a sustainable business plan for UWP can be developed.'

Response: note.

We note the statement of support for the University of Wales Press. Further developments will be informed by the outcomes of the review of Welsh Government support for publishing and literature.