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Higher Education Funding
Council for Wales
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HEFCW ORGANISATIONAL DESIGN

I am writing in response to your request for approval for relevant aspects of your organisational development project under the terms set out in the Management and Financial Memorandum. I appreciated the opportunity of discussing with you and Richard the background and handling of this.

I support the aims set out in your letter to:

- Modernise the structure to respond to the changing agenda for higher education in Wales, including the need for sharper focus on institutional health and sustainability, on more strategic engagement with institutions, and on more strategic use of the Council's funds;
- In so doing, provide a better balance of support to the Chief Executive, freeing time to focus on more strategic, less operational matters;
- To provide scope for better integration of related functions and more adaptability within teams.

These moves are in line with the Assembly Government's *Reaching Higher* aims, including improving excellence, widening access and increasing efficiency, calling for much stronger reconfiguration and collaboration within the sector and the more strategic use of public funding to meet these objectives.

We have also discussed and agreed the need to ensure that as the work progresses we dovetail the Council's responsibilities for funding institutions, providing advice and overseeing quality with the Assembly Government's role in setting the policy and strategic framework.



I can therefore agree both the appointment of a new Director post reporting directly to you and the invoking of HEFCW's redundancy agreement to handle the reduction of team leader posts.

As you are aware the Assembly Government attaches great importance to appropriate handling, particularly of redundancy situations, and welcomes your ongoing engagement of the PCS in this process as well as the wider involvement of the HEFCW Works Council, HR Committee and staff. In view of the weight and significance of the new Director post I also welcome your decision to fill it by open competition.

You noted that, whilst the new structure can be financed within HEFCW's running cost allocation, the one-off costs of restructuring could in the most expensive case exceed running costs by up to £341k. You requested that we underwrite those costs. Whilst we will clearly need to agree details in due course I can confirm that we are in a position to meet an appropriate part of the one-off elements by a transfer from current funds.

David Bacon
Head, Higher Education Division