

For our Future-The 21st Century Higher Education Strategy and Action Plan for Wales

Address to Governor Development Day March 3 2010

[by Minister for Children, Education, Lifelong Learning and Skills]

Introduction

Andrew, thank you for inviting me to speak at this conference.

I am going to speak bluntly today. We are in a new age of accountability, the banking crisis, parliamentary expenses, quango board members, BBC execs, salaries of CEOs, HE is no different and you as Governors are part of that accountability process.

Governance has a significant contribution to ensuring that Wales' higher education system is globally competitive, strives for excellence and is responsive to the changing needs of learners.

I am a graduate of the Welsh Higher Education system; I have briefly worked in it; and I still have an association with it. Until I became Education Minister, my wife was a member of a University Governing body in Wales. So I bring my prejudices with me!

I want to begin by stating the obvious – as we know, there are numerous examples of international excellence in HE in Wales and some areas of outstanding strength., which is a cause for congratulations. But as my

predecessor said in her introduction to For Our Future, our HE Strategy, 'higher education needs to change, and change fast'. Members of governing bodies have an important role in this.

Going forward, we should learn from, and fully engage with, international best practice. In higher education, this means:

- the capacity to achieve excellence in research and to compete internationally; and
- the provision of learning that equips our undergraduates and postgraduates to compete in a global marketplace for careers.

You will see that I am more concerned about standards than structures – except where structures get in the way of delivery.

So what are my priorities? For those of you who have read the First Minister's election manifesto, they should be obvious.

The First Minister committed to a re-focussing of educational investment, to ensure more reached the front-line of schools, colleges and universities. I have announced a review of the cost of administering the education system and that will help us shape our budgets for the next financial year. The review includes HEFCW. We need to make the best use of all of the resources available to us. I want to:

- reduce bureaucracy,
- avoid duplication and
- ensure that as much funding as possible reaches the front line.

The review of funding for education in Wales will help streamline the education system, make it lean and effective, and ensure that we deliver the best possible service to our learners.

The Assembly Government's Education budget can no longer be a Christmas Tree with presents for everyone. Money will follow One Wales commitments and Ministerial objectives. So the whole of the HE budget in future will be used to drive our strategy.

However, unlike England we have taken a decision to protect budgets and they are flat lined.

The need for a thorough review of HE Governance

For our Future identified the need for radical change in the shape, structure and provision of higher education in Wales. Effective governance-at institutional and national level- is central to driving forward and accomplishing the step change that the new strategy requires.

For our Future called for a review of higher education governance that built on existing strengths, evaluated current shortcomings and, most importantly, considered future need.

Procedural improvement is not enough. Incremental improvement is not enough.

If we are to make the changes needed, we also have to be willing to question what may not be needed. I am impressed by the quality of the people in this room. We do not want governing bodies that act simply as a bunch of cheer-leaders for university management. But you want you to do more.

I have read the press release issued overnight by the Chairs of CHEW and HEW. I am glad they welcome the review of governance I have announced.

I am disappointed that their press release both misquotes and quotes selectively from our HE Strategy *For our Future*.

The press release states that page 9 of our strategy recognises the “existing well run, and high performing higher education sector in Wales.” It does say that. But the sentence in full, referring to reports from the National Assembly’s Enterprise and Learning Committee and the Wales Employment and Skills Board states ‘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.’

The HEW and CHEW press release also states that page 19 of *For our Future* says that “HE Governance in the higher education system is strong”. It does not. It says that – and I quote – “institutional governance in Wales’ higher education system is strong”.

And It then goes on immediately to say “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.”

If the author of your press release had been one of my postgraduate students in Cardiff University’s School of Journalism, Media and Cultural Studies, I would have had questions to ask.

After this, I’ll probably find out that they were!

Our review of higher education governance will carry out a thorough, rigorous and analytical consideration of:

- the purpose;
- the underpinning principles; and
- the operational and legislative framework of

our current systems of governance in higher education.

I will expect the review to tackle the key issue of whether our existing forms of national and institutional governance match the needs, expectations and future requirements defined in *For our Future* and what changes may be required. To do this it will need to consider:

- the role that higher education governance should have in meeting the challenges and delivering the actions identified by the new strategy;
- the nature, duties and framework of governance needed to carry out this role effectively into the future; and
- the changes to national and institutional governance required to meet these responsibilities.

We want to ensure that HE Governance contributes to delivering a world-class HE sector in Wales, with more world-class teaching, knowledge transfer and better research grant and RAE performance. We want a higher education leadership in Wales which is more focused, outward-looking and collaborative. We want a system of governance which reconciles the challenges of academic freedom with ensuring that institutions achieve greater success collectively in Wales.

We need to consider how we empower governing bodies of HE institutions to hold institutional management and HE leadership to account through proper scrutiny, audit and leadership of the strategic planning process. Should there be a mechanism for appointing more members to governing bodies of HE institutions independently? Should support independent of HE management be given to members of HE institution governing bodies to enable them to carry out their task of holding HE management and HE leadership to account?

These are questions for the review to consider, and I will say more about these questions at the end.

Part Two-The implication of *For Our Future*

The challenges identified and actions set by our new strategy *For our Future* are clear. It is a question of doing business differently in the future. This means:

- changes to the nature of learning provision-at both undergraduate and postgraduate level;

- changes to the nature of how, when and where learning is delivered; and
- fundamental changes to working relationships with other institutions and organisations –universities, schools, FE colleges, employers, and voluntary organisations.

Higher education in Wales must:

- substantially increase part-time provision and build on learner engagement and student voice initiatives;
- provide more focus on tackling chronic pockets of low participation;
- develop employer-linked degrees, foundation degrees and postgraduate programmes as a core function of business;
- collectively build sustainable research capacity and excellence;
- incorporate regional planning and delivery into mainstream activity; and
- fully exploit the combined strengths that real collaboration brings.

I am pleased that the sector has already responded to these issues with initiatives:

- The WISE project on learner voice, the North Wales Mentoring Project and Trinity' Lampeter's Associate Faculty with local schools all tackle new forms of learner engagement and learning delivery.
- The Heads of the Valleys university initiative will deliver innovative new programmes in new venues opening up new opportunities for individual access and community regeneration.
- The ESF funded Foundation degree project, pioneered by HEW, combines HE, FE and employers in management, planning and delivery of new skills provision.

However, important as they are, initiatives are not enough. More needs to be done if such activities are to be mainstreamed:

- deficiencies in addressing areas of low participation, low skills and low aspiration;
 - the failure to identify part time work based provision as core business; and
 - the deficit in Wales' research capacity in comparison to the UK
- remained key issues in the Jones Report.

Similarly, the sector's failure to engage thoroughly in structural and organisational collaboration remained the key issue in the Wales Audit Office and Assembly Audit Commission reviews on collaboration and reconfiguration. HEFCW will be tasked with addressing these issues.

It is important that this approach to collaboration becomes a central driver in shaping the future direction and structure of Welsh higher education.

If we are to be a small but smart country, it is critical that we focus resource on building leading edge research in national priorities. To build the economy of the future, Wales must proactively respond to current global challenges. My predecessor announced key R and D priorities in terms of the digital economy, the low carbon economy, health and biosciences, and advanced engineering and manufacturing. In his manifesto, the First Minister stressed the importance of active engagement between the HE sector in Wales and the anchor companies in Wales.

The governance implications of these challenges are clear. These issues need tackling as part of core institutional business and national and institutional governance must play a leading part in directing, supporting and scrutinising the attainment of these priorities.

- If we are to drive new approaches to learning and learner engagement, governors need to ensure that institutions concentrate not just on the traditional learners, but on those potential learners to whom we need to reach out.
- If we are to achieve sustainable research excellence and deliver national research priorities, then governors must promote collective capacity and resource focus across institutions and, where relevant, internationally.
- If we are to drive collaboration and merger, governors need to challenge institutional leadership to think outside the institutional box and ensure that the needs of learners and researchers are paramount.

And I expect members of governing bodies of HE institutions to take a particular interest in ensuring that the Welsh public pound goes further. This means not just work in developing shared services or joint procurement but:

- real systemic collaboration in combined planning and delivery- particularly at regional level;
- continued commitment to building research capacity and expertise through collaboration-including international collaboration;
- a commitment to rationalisation of provision to end unnecessary competition and,
- a commitment to pursue, where relevant, merger.

It is important that this approach to collaboration becomes a central driver in shaping the future direction and structure of Welsh higher education.

Conclusion

What does this mean for governance and the governance review?

- At national level we have to ensure clear lines of direction from government and clear levels of accountability from the universities.
- At institutional level Chairs and governors become central agents in supporting and taking responsibility for delivery of national priorities and the meeting of national needs.
- This should not be seen as a threat to institutional autonomy or interference with institutional leadership. Institutional autonomy is important-but with autonomy comes responsibility:
 - it is essential that Vice Chancellors and their executive teams have responsibility for the direction, change and management of their institutions.
 - It is also important that institutional and national systems of governance hold them accountable for this.

As Professor Sir David Watson identified in the Leadership Foundation's own magazine, the governing body's responsibility for stewardship incorporates ultimate responsibility for strategic direction and holding the institutional leadership and management to account.

Equally it is vital that we are clear on the importance and responsibility that national systems and frameworks of governance have in:

- directing strategy,

- monitoring and supporting quality in learning delivery; and
- holding institutions to account.

If we are to have a system which:

- delivers excellence,
- meets the needs of learners in the demanding times we live in and
- is committed to the changes needed,

then we need to ensure that all our national endeavours are directed to supporting and deliver this.

Consequently, I will be expecting the Review of HE Governance to consider the following:

- What are the opportunities for improving this relationship between national and institutional governance and what alternative systems are there?
- How clear and defined are the lines of accountability to government and citizens so as to ensure that HE provision meets national imperatives and responds to public need?
- How can we ensure that HE governance –nationally and institutionally- contribute to delivering a world class sector with world class subject departments and better research grant achievement and RAE performance?
- What role can governors play in overseeing, and supporting commitment to collaboration and regional planning and delivery?

- What current arrangements exist for the governance of collaboration, partnership and regional planning and what changes need to be made to ensure institutional governors have a part to play in regional planning?
- How well do current systems of governor scrutiny work and what changes are needed to ensure HE governors are fully empowered to support, guide and oversee institutional leadership in strategic direction, evaluating quality and auditing processes?
- How well does the current framework of governor recruitment incorporate the involvement of relevant stakeholders and the engagement and participation of staff and students?

These are some of the issues and questions that need to be addressed in detail.

I expect the review to last six months and to inform future policy and possibly legislation.

I am sure that you will agree on:

- the value of this review;
- the need for it be thorough and, possibly at times, radical in scope;
and
- on the importance of ensuring that HE governance in Wales is fit for supporting and sustaining a system of higher education in Wales that is nationally robust, internationally competitive and delivers excellence.

I would like to enlist you all in that challenge.