The Future Shape of the HE Sector in Wales

1) The policy of significant reconfiguration of the higher education sector in Wales, which is reflected in our corporate strategy, is not new: it has been the explicit position of the Welsh Assembly Government since 2002, but the underlying concerns about there being too many institutions to ensure sustainability pre-date Reaching Higher. Whilst there has been some progress in this agenda in recent years, with some HE mergers, the Council is of the view that this progress has been too limited. This issue becomes more acute in the light of major pressures on public funding which will form the backdrop for higher education in the UK over the immediate future and which will generate increased sustainability challenges.

2) Against this context, the Council has been considering a range of possible interventions which might be made to encourage swifter progress. It has adopted a specific strategic target relating to reconfiguration and has determined that core funding will be deployed in ways which lend force to the achievement of that target. In addition to funding levers, though, we take the view that there is merit in publishing a more explicit description of the future shape of the sector which we believe is required in order to deliver a sustainable HE system in Wales. In doing so, we are responding to requests from the sector to take the lead in defining reconfiguration expectations.

3) We believe that the publication of this Statement will have the benefit of making clear the nature of our and the Welsh Assembly Government’s expectations, which extend beyond simple achievement of the corporate strategy target relating to income. It will also provide a clear basis for dialogue with the sector about structural change and will make it less likely that institutions offer responses to our reconfiguration challenges which fall short of our expectations.

4) We recognise that the publication of too tightly specified a sector ‘blueprint’ would risk limiting the creativity with which the reconfiguration challenge could be addressed by institutions. We are aware, informally, of possible structural developments which are, perhaps, less obvious than others, but which have potential merit nonetheless.

5) This statement identifies our expectations, to be met by the end of our current corporate strategy period (March 2013). We have aimed to avoid over-specification, and also not to exclude the scope for potential further structural changes beyond that period. We expect that:

   a. the sector should move to a structure of no more than six institutions;

   b. the distribution of those institutions should reflect regional needs such that there should be no more than two institutions per region (as we have defined previously), albeit with several delivery locations;

   c. each region should have research intensive (in which we will increasingly focus our QR funding in support of sustainable excellence and relevance to Welsh Assembly Government objectives) and strong community/widening access focused provision;

   d. no more than two HEIs should have an income below the UK median and, given the higher population density and easier mobility, neither of these should be in south east Wales.
6) We acknowledge that alternative configurations to that proposed above could make sense but consider that the order of magnitude identified, i.e. no more than six institutions, remains a key consideration.

7) In constructing this statement, we wish to make clear our aspiration to secure at least one institution in Wales which is demonstrably world class, indicated perhaps by inclusion in the world top 200 universities. We also wish to make clear that we do not wish to constrain any institution to work only within its regional grouping: pan Wales, pan-UK and international approaches are all necessary to deliver a strong and successful HE system in Wales.