

Cylchlythyr | Circular

Consultation – high level proposals for fee planning from 2014/15

Date: 15 January 2013
Reference: W13/01HE
To: Heads of higher education institutions in Wales
Principals of directly-funded further education colleges in Wales
Response by: 26 February 2013
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This circular is a consultation on high level proposals for changes to the fee planning process from 2014/15.

The circular invites views from higher education institutions and directly-funded further education institutions.

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email info@hefcw.ac.uk.



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Introduction

1. This circular is a consultation on high level proposals for changes to the fee planning process from 2014/15 and provides a potential outline framework to indicate the proposed structure. The circular invites views from higher education institutions and directly-funded further education institutions. There are a series of questions throughout this circular to structure the response process.

Background

2. Since 2007/08 institutions in Wales have been allowed to charge variable fees capped at a level per student in the region of £3,000 per annum. This level matched that charged in both England and Northern Ireland. In Wales only institutions which submitted an acceptable five year fee plan to HEFCW were permitted to charge this higher fee level.
3. The Browne Review of Higher Education, published in October 2010, advocated an end to capping of fees at this level in England. Subsequently in December 2010 the decision was taken in England to allow institutions to raise fees to a maximum of £9,000 per annum subject to approval of a satisfactory access agreement by OFFA.
4. In November 2010 the then Minister for Children, Education and Lifelong Learning in Wales, in responding to the Browne Review of Higher Education in England, announced that from 2012/13 Welsh institutions would be allowed to charge fees up to a maximum of £9,000 for full time undergraduate or PGCE courses. In February 2011 the Minister confirmed that the basic rate of fees that could be charged in Wales would be £4,000. Any institution wishing to charge above this basic rate would be required to submit an acceptable Fee Plan to HEFCW.
5. As a result fee legislation was put in place and HEFCW issued "Fee Plan Guidance" circulars in 2011 ([W11/14HE](#)) and 2012 ([W12/15HE](#)), which provided guidance to Welsh institutions who wished to charge above the basic fee rate of £4,000 in 2012/13 and 2013/14 respectively, for UK and EU full time undergraduate courses and those postgraduate courses, such as PGCEs, that were subject to regulated undergraduate fees. Those institutions were required to submit a one year fee plan detailing the additional investment they would make in support of equality of opportunity and the promotion of higher education, and the objectives they would set to secure those outcomes. Fee plan monitoring would take place retrospectively

Review of the current process

6. Reflecting on the fee plan process for 2012/13 and 2013/14, we have become aware of some issues that need to be addressed, and improvements to be made, moving forward into the 14/15 fee plans. Given the long lead times involved we need to address these issues now,

to avoid the introduction of a further year's delay. Although the list is not exhaustive, we have identified these as –

- The need for better alignment of the fee planning process with the new HEFCW Corporate Strategy to 2016
- The need to address the time gap between agreement of the plan and the assessment of its effectiveness, in order to improve its role as a lever for delivery
- Given the decreasing funding available to support Welsh Government policy, the need to maximise the use of the fee plan as a lever for the delivery of policy
- The need to align the fee plan with the institutional sub-strategies (and associated targets) covering the fee plan areas.
- Given the reduction in funding available for those strategies, a requirement for a more direct link to the fee plan, providing a lever for policy and to help to give the fee plan a strategic context.
- The need to build in the work HEFCW officers do in assessing institutional forecasts against corporate strategy targets, and monitoring performance (which feeds in to the fee planning process).

Question 1

Are there any other high level issues with the current process that need to be addressed as we move into fee planning for 2014/15?

Proposals

7. As a result of the identification of these issues, a set of proposals for fee planning from 2013/14 were approved by Council at its meeting in December 2012, for consultation with the sector. Those proposals are listed below and following each one, a question has been posed that you may wish to consider in your response.

- **Proposal** - The fee plan should cover a two year period, 2014/15 (year 1) and 2015/16 (year 2) (to the end of the current government period in the first instance), with an annual update. Some sections of the plan could remain unchanged for two years.

Question 2

Do you think that the fee plan should cover a two year period or can you see any unintended consequences from such a move?

- **Proposal** - The key fee plan targets should be linked directly to those corporate strategy targets which are student focussed and cover only those target areas

Question 3

Can you see any problems or unintended consequences from focussing the fee plan and approvals process only on the student-focussed corporate strategy targets as opposed to developing new measures for each institution?

- **Proposal** - Use HESES to collect early data against the fee plan target areas in the year in question (i.e. starting autumn 2014) enabling early indications of issues and timely dialogue with institutions who appear to be falling short of their targets.

Question 4

Can you see any problems or unintended consequences of using HESES to collect early data against the fee plan targets, or can you suggest any alternative way of giving an early indication of progress?

- **Proposal** - Institutions failing to achieve all their projected corporate strategy targets would be at risk of having their future fee plan rejected. Those meeting only some of the targets would be subject to an assessment process, including external representation and against published criteria, which would assess the balance of performance.

Question 5

What would be an appropriate mechanism for assessing the balance of institutional performance against the fee plan (corporate strategy) targets?

Proposal for Fee Plan Structure

8. Annex B provides a draft structure, based on the proposals above, for the fee plans from 2014/15. We would welcome any general or specific comments on the proposed structure, in terms of the sections or the proposed assessment method.

Proposed timetable for approval of new process

9.	Consultation document issued	15 January 2013
	Consultation responses received	26 February 2013
	Final approval for new process from Council	15 March 2013
	Guidance for 2014/15 fee plans issued	Late March 2013

Responses and further information

10. Responses should be submitted to HEFCW by **Friday 26 February 2013**. They should be addressed to Craig Brett (craig.brett@hefcw.ac.uk; postal address – Higher Education Funding Council for Wales (HEFCW), Linden Court, The Orchards, Ilex Close, Llanishen, Cardiff CF14 5DZ).
11. Any queries arising from this Circular should be directed to Leanne Holborn (direct line 029 2068 2264; email leanne.holborn@hefcw.ac.uk).

Assessing the impact of our policies OR Equality and diversity implications

12. We will be carrying out an equality impact assessment to help safeguard against discrimination and promote equality. We will also consider the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales. We welcome any comments and contributions that will inform the EIA process. Contact equality@hefcw.ac.uk for more information about EIAs.

Annex A

Fee plan proposals

The fee plan will include four sections, one of which will mirror sections of HE institution learning and teaching/widening access/ITT strategies (or will be specifically prepared by non-HEI providers).

	Contents and approval of the fee plan submitted	Assessment of the delivery of the fee plan outcome
Section 1	Strategic context - This will mirror the institution's learning and teaching, widening access and ITT strategy and include the strategic objectives from those documents, as appropriate.	Once agreed, to remain for two years unless institution chooses to update in year 2.
Section 2	Fee plan income – to be updated in year 2	Assessed annually in light of student numbers recruited
Section 3	Description of bursaries or other expenditure of fee income – only needs to be updated annually if this falls below 30% of expected fee income for the year in question. To be divided between equality of opportunity and promotion of higher education. Section could also be divided between Corporate Strategy strategic themes: Widening Access, Student Experience and Skills, Employability and Enterprise, breaking down proposed expenditure against these themes.	Assessed initially to ensure 30% of fee income is expended on equality of opportunity and promotion of higher education. Text could remain for both years if expenditure is planned to exceed 30% of fee income in each year. Would be possible to assess this against the relevant corporate strategy themes.
Section 4	Corporate strategy targets – two years (targets for year 1 and forecasts for year 2 and for 2015/16 targets for year 2). This would cover the student focussed targets within the new HEFCW Corporate Strategy. Institutions may choose to update their 2015/16 forecast when setting the target for that year in the light of performance but only by agreement as part of the fee plan approval process.	This is the section which is monitored on an ongoing basis and which informs the fee plan outcome approval . Each target judged individually and institutions must achieve all targets in order to <u>ensure</u> future fee plan approval. The process for assessing the balance of performance, if any target(s) are not achieved (which may include external representation) to be set out in the guidance.

Question 1

Are there any other high level issues with the current process that need to be addressed as we move into fee planning for 2014/15?

Question 2

Do you think that the fee plan a two year period or can you see any intended consequences from such a move?

Question 3

Can you see any problems or unintended consequences from focussing the fee plan and approvals process only on the student-focussed corporate targets as opposed to developing a raft of new measures for each institution?

Question 4

Can you see any problems or intended consequences of using HESES to collect early data against the fee plan targets, or can you suggest any alternative way of early indication of progress?

Question 5

What would be an appropriate mechanism for assessing the balance of institutional performance against the fee plan (corporate strategy) targets?

Do you have any additional general or specific comments on the proposed structure, in terms of the sections or the proposed assessment method?