

# Cylchlythyr | Circular

## Fee Plan Guidance 2016/17

**Date:** 10 April 2015  
**Reference:** W15/05HE  
**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education institutions  
in Wales  
**Response by:** 22 May 2015  
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This circular provides guidance to Welsh institutions that wish to charge above the basic fee rate of £4,000 in 2016/17 for UK and EU students on full-time undergraduate courses and those postgraduate courses, such as PGCEs, that are subject to regulated undergraduate fees. These institutions are required to submit a one-year fee plan detailing the investment they will make in support of equality of opportunity and the promotion of higher education.

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



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## Introduction

1. This circular provides guidance to Welsh institutions that wish to charge above the basic fee rate of £4,000 in 2016/17<sup>1</sup> for UK and EU students on full time undergraduate courses and those postgraduate courses, such as PGCEs, that are subject to regulated undergraduate fees. These institutions are required to submit a one-year fee plan detailing the investment they will make in support of equality of opportunity and the promotion of higher education.
2. This circular follows the previous approach set out for 2015/16 fee plans in HEFCW circular W14/14HE.<sup>2</sup>
3. The Welsh Government Guidance to HEFCW on *Fee Plan Approval and Enforcement* is attached at **Appendix A** and is unchanged from previous years.
4. Institutions are required to submit the 2016/17 fee plan by **Friday 22 May 2015** using an institution-specific template which will be sent separately to institutions' fee plan contacts. A blank version of this template is attached at **Appendix B and an Excel spreadsheet of previously submitted forecast data will also be provided to simplify reporting.**
5. Following consideration of the evidence contained in a fee plan, we will write to the Vice-Chancellor/Principal to agree or reject the fee plan proposed by **31 July 2015**. Where we are unable to accept a fee plan by **31 July** the institution concerned will only be able to charge students a fee up to, and including, the £4,000 basic level stipulated in the regulations.
6. The Higher Education (Wales) Act<sup>3</sup> means that from 2017/18 there will be substantial changes to the fee plan process. This will result in new Welsh Government guidance to HEFCW and the requirement for the sector to submit fee and access plans. In delivering these new arrangements for 2017/18, HEFCW will undertake an extensive consultation process with higher education providers and other interested parties during the development of its new guidance, to ensure we take full account of factors likely to impact on fee and access plan implementation and compliance with the HE (Wales) Act and Welsh Government guidance.

## Background

7. In November 2010, the then Minister for Children, Education and Lifelong Learning, in responding to the Browne Review of Higher Education in

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<sup>1</sup> For information on the rules for charging higher fees for specified courses such as sandwich or language year out see page 9 of the Guidance (Appendix A).; and for the classification and inclusion of PGCE see [The Student Fees \(Qualifying Courses and Persons\) \(Wales\) Regulations 2011](#)

<sup>2</sup> [W14/14HE](#)

<sup>3</sup> [Higher Education \(Wales\) Act 2015](#)

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 can be charged in Wales would be £4,000. Any institution wishing to charge above this basic rate is required to submit an acceptable fee plan to HEFCW.

8. Following HEFCW's review of the fee planning process, and in developing the fee plan arrangements for 2015/16, HEFCW undertook two fee plan consultations on proposals for change, in 2013<sup>4</sup> and 2014.<sup>5</sup> We took account of the consultation outcomes,<sup>6</sup> and implemented changes to the Fee Plan process in 2015/16, following legal advice. Specifically, this requested higher education provider fee plan targets which indicated the contribution to be made to some of HEFCW's Corporate Strategy measures,<sup>7</sup> as well as providing additional institutional targets.
9. HEFCW has recently confirmed that the Welsh Government has agreed to an extension of its Corporate Strategy to 2016/17.<sup>8</sup>
10. Our fee plan assessment will take account of all targets and information provided as they indicate the extent of institutional fee plan priorities, developments and progress. Judgements of performance against the plan will rely primarily on performance against the Corporate Strategy measures.

### **Tuition fee grant and expenditure controls**

11. In 2012/13 HEFCW introduced the Maximum Fee Grant (MFG) process in order to maintain some control of the cost to the Welsh purse for Welsh and EU domiciled full-time undergraduate and PGCE students studying in Wales.
12. In January 2015, HEFCW was informed that from 2015/16, tuition fee grant funds would be administered by the Welsh Government and HEFCW's budget would be reduced accordingly. The movement of this funding from HEFCW to the Welsh Government means that, from 2015/16, HEFCW is no longer responsible for the payment of the tuition fee grant.
13. At its March 2015 meeting, HEFCW Council agreed that it would no longer operate the MFG process, given that it related to an expenditure that is no longer paid from HEFCW's budget. In submitting 2016/17 fee plans, we would expect institutions to continue to consider the fee grant cost implications, and to provide an average fee for full-time undergraduate

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<sup>4</sup> HEFCW consultation circular [W13/01HE](#) and the consultation outcomes circular [W13/10HE](#)

<sup>5</sup> [W14/02HE: Fee Plans-Consultation on detailed proposals for change](#)

<sup>6</sup> [W14/13HE Fee Plans 2015/16: Outcome of consultation on detailed proposals](#)

<sup>7</sup> These targets relate to widening access, participation, retention, Welsh medium, National Student Survey (NSS), employment and employability.

<sup>8</sup> [W15/02HE](#) paragraph 10

students. Any significant increase in the total numbers of Welsh/EU domiciled students recruited to UK/Welsh HEIs and/or any increases in the fees charged will increase the fee grant cost to the Welsh Government and will ultimately have an impact on the budget available for allocation by HEFCW in future years.

### Arrangements for part-time fees and support

14. The Minister for Education and Skills issued a statement confirming his intention to introduce non-means tested loans from 2014/15 for eligible part-time undergraduate students studying at an intensity of at least 25% of a full-time course. The statement also sets out his expectation that HEFCW continue to fund part-time provision at broadly current levels and that higher education providers exercise restraint in the setting of part-time tuition fees.<sup>9</sup> For this reason we do not require fee plans to include part-time fee income. However, institutions may choose to include their contribution to HEFCW Corporate Strategy part-time measures, or their own institutional part-time higher education targets, in their fee plans.
15. We note that Welsh Government *Guidance to HEFCW on Fee Plan Approval and Enforcement* (**Appendix A**, paragraph 8) states that institutions may consider part-time and mature students within their overall approach to access and HEFCW should take account of these groups when considering fee plans. Therefore, we would encourage institutions to include part-time HE fee plan targets, given that this is a Welsh Government priority; that many interventions for full-time students impact equally on part-time students; and that some part-time HE supports institutions' contribution to widening access and equality of opportunity.<sup>10</sup>
16. Circular W14/28HE<sup>11</sup> confirmed revisions to HEFCW's part-time undergraduate fee waiver scheme, from 2014/15, to take account of the introduction of part-time, undergraduate loans for those individuals studying at least 25% of a full time course. It sets out the eligibility criteria for those new and continuing students that institutions can claim a fee waiver grant for and it provides a summary of the consultation outcomes.

### Content of fee plans

17. Institutional fee plans must be drafted with reference to the Guidance provided at **Appendix A**, which stipulates that a '*reasonable proportion*'<sup>12</sup> of new fee income (i.e. income above the basic rate of £4,000) should be invested in equality of opportunity and the promotion of higher education. We are not specifying the exact proportion of fee income above the basic

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<sup>9</sup> [Welsh Government Statement on Higher Education Part-time Undergraduate Support](#)

<sup>10</sup> [HEFCW's Part Time Higher Education Position Statement](#) sets out our vision and confirms our commitment to the Welsh Government's part-time higher education expectations.

<sup>11</sup> [HEFCW Part-time Undergraduate Fee Waiver Scheme](#)

<sup>12</sup> Appendix A paragraph 21

level that should be invested in these areas but our expectation is that it would be *at least* 30%. Institutions that wish to consider investing a lower proportion of their fee income than was earmarked in their fee plan 2015/16 are invited to discuss this with HEFCW, following discussion with their Student Union.

18. Institutional fee plans should include all established franchised arrangements, regardless of locality, to ensure that all institutions' students are represented explicitly within the fee plan.
19. The fee plans should clearly articulate the depth and breadth of engagement with the student body. This includes its involvement in developing and assessing the fee plan and how the student voice and partnership working contributes to governance in their institutional context, in line with the Wise Wales statement on Partnership for higher education in Wales.<sup>13</sup>
20. As our 2014-15 remit letter indicates, the Welsh Government expects institutions to make a substantial contribution to regional and national objectives. Our 2015-16 remit letter reiterates this in the context of higher education in further education. Higher education providers should take account of this in preparing their fee plan.<sup>14</sup>
21. **Equality of opportunity:** Institutions should consider carefully their investment in widening access, including equality and diversity, to demonstrate their support for, and response to, securing equality of opportunity. Institutions should ensure that their fee plan commitments are consistent with, and support as appropriate, their equality duties and strategic equality objectives. Institutions may wish to note HEFCW's Strategic Equality Plan and objectives.<sup>15</sup>
22. HEFCW's commitment to widening access and social justice is reflected in the development of HEFCW Corporate Strategy measures based on Communities First cluster areas, the bottom quintile of the Welsh Index of Multiple Deprivation (WIMD), participation and retention.
23. **Promotion of higher education:** This is a broader investment area and institutions should ensure that the outcomes they propose under the promotion of higher education are consistent with the aims of relevant Welsh Government policy expectations, including the Policy Statement on Higher Education, HEFCW's Corporate Strategy, the latest remit letter to HEFCW from the Welsh Government and their own institutional planning, including as set out in universities' Strategic Engagement and Planning documents submitted to us in autumn 2014.

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<sup>13</sup> [Partnership for higher education in Wales](#)

<sup>14</sup> [HEFCW's 2015-16 remit letter](#) and [HEFCW's remit letter 2014-15](#) p2. paragraph 9.

<sup>15</sup> [HEFCW's Strategic Equality Plan and objectives](#)

24. Institutions should continue to ensure that fee plans are consistent with their widening access, learning and teaching, initial teacher training, skills and employability and other strategic planning, as well as the regional Reaching Wider strategic intentions and relevant regional strategic planning documentation.

### **Broader aspects of equality of opportunity and promotion of higher education**

25. We would encourage institutions to consider the inclusion of work they do to enhance the student experience generally, including in relation to part-time HE, equality and diversity and internationalisation.
26. We would encourage institutions to consider reflecting in fee plans, even more strongly than in previous years, their strategic equality plan commitments to articulate fully their contribution to equality and diversity.
27. In submitting 2016/17 fee plans, institutions will want to consider further the Welsh Government's consultation on proposed changes to DSA support arrangements in Wales<sup>16</sup>. Fee plans should articulate how an institution meets, and goes beyond, its statutory duties under the 2010 Equality Act in relation to supporting students with disabilities.
28. We recognise that many institutions already have support arrangements for vulnerable students in place. Our 2015-16 remit letter indicates that from year 2015/16 higher education institutions are expected to have in place discretionary hardship funds<sup>17</sup> and that we are expected to monitor them and provide assistance to institutions as they develop them further. HEFCW officers will contact institutions about this issue.
29. Fees plans are expected to reflect the principles of the Welsh Government's mental health strategy, *Together for Mental Health*, and to include provision of appropriate services to improve support for people with mental health and substance misuse problems in higher education and build on developments outlined in previous plans.<sup>18</sup>
30. The Welsh Government recognises that widening access students, for instance, have tended to be under-represented in international exchange programmes and has indicated that higher education institutions need to do more to support students from widening access backgrounds to overcome barriers to participation in international learning experiences. Therefore, internationalisation to encourage social mobility, including participation in the Erasmus+ programme, and internationalisation of the curriculum are aspects of this agenda which institutions may want to

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<sup>16</sup> [Proposed changes to DSA support in Wales](#)

<sup>17</sup> [HEFCW's 2015-16 remit letter](#) page 2

<sup>18</sup> Welsh Government's [Together for Mental Health Strategy](#). HEFCW also published circular [W13/31HE](#) on equality and diversity in HE: promoting mental health and wellbeing.

consider. The promotion of higher education also includes actions which promote Welsh HE internationally, as set out in **Appendix A, Annex B**, which includes recruitment of international students.

## How to measure performance

31. We have forecasts for universities up to 2015/16, but we do not have forecast data for 2016/17. Therefore, the individual institutional templates to be sent to fee plan contacts will include the latest 2015/16 forecast data submitted to us by institutions in July 2014<sup>19</sup> or updated in the Strategic Planning and Engagement Document submitted to us in December 2014. Institutions are expected to set 2016/17 fee plan targets against the HEFCW Corporate Strategy measures in **Section A of Appendix B**. We will provide an individual Excel template with previously submitted forecast data for institutions to complete, to ease the burden of institutional reporting.
32. If the Corporate Strategy target provided is a percentage, please also provide actual numbers. We also require the figures used to calculate the percentage in the columns in the Excel template. The 2015/16 forecast figures are provided for information. If these figures are changed in this fee plan submission they should be the same as those being returned in the Corporate Strategy forecasts in July 2015 and a rationale for the change should also be provided (see paragraph 35). Also included in the template, for information, is the 2013/14 actual performance against the target, where this is available.
33. Fee plans must include detailed and measurable targets, benchmarks, and indicators which are achievable by 31 July 2017. These targets must be derived from auditable data sources such as:
  - HEFCW Corporate Strategy targets
  - HESA – Higher Education Statistics Agency
  - LLWR – Lifelong Learning Wales Record
  - HEIDI – Higher Education Information Database for Institutions
  - Internal institutional admissions/completion/retention data
  - EYM – End of Year Monitoring
  - HESES – Higher Education Students Early Statistics
  - SLC – Student Loans Company data
  - ECU – Equality Challenge Unit data
  - EHRC – Equality and Human Rights Commission data
34. This is not a definitive list of data sources and others may be more appropriate in some cases. Close attention should be paid to target setting as failure to achieve appropriate levels of progression in year may have

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<sup>19</sup> [W14/23HE](#)

serious repercussions for institutions which wish to continue to charge higher fees in future years.<sup>20</sup>

35. Institutions which include a lower level of ambition for 2016/17 to those targets included in their 2015/16 fee plan, remove a previously agreed target, or revise their relevant 2015/16 HEFCW Corporate Strategy forecasts, set out in the template, will be asked to provide a satisfactory rationale for this and may be asked to retain the previous targets.

### **Plan acceptance and appeals process**

36. Upon receipt we will consider your 2016/17 fee plan and discuss any issues arising from it with you. Acceptable fee plans will need to specify sufficiently challenging strategic outcomes and ambitious targets in relation to equality of opportunity and promotion of higher education. Fee plans should continue to articulate the extent of engagement with the student body, building on statements in previous plans, and the steps in place to ensure that students are aware of any new fee charges prior to enrolment, and how fee income will be invested in support of the student experience.
37. HEFCW will notify institutions of fee plan decisions by **31 July 2015**, after which we will list institutions with accepted plans on our website. Any institution which does not have an acceptable fee plan in place by **9 September 2015** will either be constrained to charge, at most, the basic fee rate, or will need to have invoked the appeals process by that date.
38. The process by which an application for review of a provisional HEFCW decision may be made will again be managed by the Welsh Government, and the grounds are set out in the Guidance at **Appendix A, Annex C**.
39. Fee plans must be published and easily accessible on an institution's website within one week of formal acceptance by us.
40. Where there are significant changes to your circumstances after the submission of your fee plan and you wish to change any of your institution's commitments, you should discuss this with us at the earliest opportunity. Any changes that reduce your commitments will require our approval. However, you should note that you must honour financial commitments you have made to students.

### **Monitoring and feedback**

41. All Institutions will be monitored against the targets in their agreed fee plans, as well as narrative statements in the body of the fee plans. For HEIs, this process will form part of our Strategic Engagement processes,

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<sup>20</sup> Paragraph 43 Appendix A

which includes an annual request for institutions to submit forecast and updated strategic planning and engagement documents.

42. The success of the plan will be assessed following the submission of a fee plan monitoring report in **April 2018** and, as previously and if appropriate, external advice may be sought in that assessment process. Any institution failing to achieve all its targets is at risk of having its future fee plan rejected.
43. As set out in circular W14/13HE, the level of detail required in the fee plan monitoring statement will be increased from the 2013/14 fee plan monitoring onwards. All institutions will be expected to provide a detailed explanation where targets have not been met. An April submission date will allow for HESA and UK Performance Indicator data to be checked to ensure that targets using this data, marked as 'met', have been achieved as indicated. We expect these monitoring statements to be published.<sup>21</sup>

### **Impact and sustainability**

44. In 2015/16, we carried out an impact screening of circular W14/14HE: *Fee Plan Guidance 2015/16*<sup>22</sup> as we had made some changes since our equality impact assessment screening on the 2012/13 Fee Plan Guidance.
45. Our 2015/16 guidance was considered to contribute towards widening and improving access and increasing rates of retention and achievement in higher education for those with protected characteristics. The screening did not identify any negative implications, nor unforeseen consequences, for individuals with protected characteristics. Our screening is available on request.
46. Since the 2016/17 fee plan guidance remains largely unchanged since the guidance published last year, we have not carried out an equality impact assessment screening. We will continue to consider the impact of our policies on equality and diversity, the Welsh language and Welsh language provision, and on issues of sustainable development.
47. Institutions are responsible for impact assessing their 2016/17 fee plan proposals where they differ significantly from previous plans. When formulating plans, institutions should take account of the impact on individuals with protected characteristics in relation to age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion and/or belief, sex and sexual orientation.
48. Institutions should consider as part of any impact assessment, the Welsh language and issues of sustainability as well as how their fee plan

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<sup>21</sup> See HEFCW circular [W14/13HE](#), page 3, letter I

<sup>22</sup> [W14/14HE](#)

underpins an overall approach to sustainable development (economic, social, and environmental).

### Authorisation and submission

49. Following a thorough process of engagement with the student body, finalised fee plans will require approval by higher education providers' governing body after which they should be signed and authorised by the Vice-Chancellor or Principal. Fee plans which do not fully demonstrate that institutions have been through all stages outlined above may be rejected.
50. By **Friday 22 May 2015** each institution should:
- Submit one signed electronic version of their fee plan to [rachel.ogorman@hefcw.ac.uk](mailto:rachel.ogorman@hefcw.ac.uk). Where signed versions are submitted in a pdf or scanned format, please also submit a Word and Excel version.

### Timeline for fee plan process 2016/17

Activity	Due Date
Publication of fee plan guidance	10 April 2015
Return date for first submission	22 May 2015
Initial dialogue and responses to HEIs	26 June 2015
Resubmission and dialogue	29 June 2015 – 30 July 2015
HE providers informed of fee plan decision	31 July 2015
Initial referral to appeal	9 September 2015
Publication of fee plan online by the HE provider	Within one week following acceptance of Fee Plan by HEFCW
2016/17 fee plan annual monitoring	April 2018 (TBC)