

# Cylchlythyr | Circular

## Fee Plan Guidance 2015/16

**Date:** 30 April 2014  
**Reference:** W14/14HE  
**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education institutions  
in Wales  
**Response by:** 6 June 2014  
**Contact:** Name: Jane Johns  
Rachel O’Gorman  
Telephone: 029 2068 2219  
029 2068 2227  
Email: [jane.johns@hefcw.ac.uk](mailto:jane.johns@hefcw.ac.uk)  
[rachel.ogorman@hefcw.ac.uk](mailto:rachel.ogorman@hefcw.ac.uk)

This circular provides guidance to Welsh institutions that wish to charge above the basic fee rate of £4,000 in 2015/16 for UK and EU 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 additional 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 2015/16<sup>1</sup> for UK and EU 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 additional investment they will make in support of equality of opportunity and the promotion of higher education.
2. This circular broadly follows the previous approach set out for 2014/15 fee plans required in HEFCW circular W13/11HE, with some changes following consultation.
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. With reference to this Guidance, institutions are required to submit a fee plan by **6 June 2014** 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**.
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 2014**. 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.

## Background

6. In November 2010 Wales' then Minister for Children, Education and Lifelong Learning, 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 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.

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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 [www.assemblywales.org/bus-home/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid/sub-ld8475-e.pdf?langoption=3&ttl=SUB-LD8475%20-%20The%20Student%20Fees%20%28Qualifying%20Courses%20and%20Persons%29%20%28Wales%29%20Regulations%202011](http://www.assemblywales.org/bus-home/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid/sub-ld8475-e.pdf?langoption=3&ttl=SUB-LD8475%20-%20The%20Student%20Fees%20%28Qualifying%20Courses%20and%20Persons%29%20%28Wales%29%20Regulations%202011).

7. Following HEFCW's review of the fee planning process, we undertook a fee plan consultation on proposals for change in February 2013<sup>2</sup>. Taking account of the consultation outcomes we postponed new arrangements until the 2015/16 fee planning process.
8. The outcomes of a further fee plan consultation on detailed proposals for change, from 2015/16, were published in April 2014<sup>3</sup>. As a result of the consultation outcomes some minor changes have been incorporated into this guidance circular, although the fee plan template (**Appendix B**) remains largely the same.
9. The main changes for 2015/16 are an institution-specific fee plan template (**Appendix B**) which includes some of the HEFCW Corporate Strategy targets<sup>4</sup>. These targets relate to widening access, participation, retention, Welsh medium, National Student Survey (NSS), employment and employability (see **section A**). The Corporate Strategy target data are derived from HEI forecasts submitted to us in 2013. Forecasts may be amended by institutions and amendments will be subject to dialogue with HEFCW officers prior to fee plan approval. The template includes a section for additional institutional targets (**section B**). Our fee plan assessment will take account of all targets and information provided as they will 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. There are also some minor changes relating to monitoring arrangements.

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

10. The introduction of the Fee Grant for Welsh and EU domiciled students means that, since 2012/13, an increasing proportion of HEFCW funding is spent on full-time undergraduate fee grants. This means that we have to manage our budgets carefully and so have implemented a number of controls to enable us to do that. This requirement inevitably affects our capacity to respond to some other key Welsh Government policy priorities.
11. Circular W12/03HE *Strategic Reallocation of Student Numbers 2013/14*<sup>5</sup> set out our process to try to limit the unintended effects of the new fee regime. Following on from this and based on the student numbers from Circular W12/03HE, in December 2012 we published our new approach to limiting the unintended effects from 2013/14, to be based on a maximum fee grant rather than controlling student numbers. This was set out in

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<sup>2</sup> HEFCW consultation circular [W13/01HE](#) and the consultation outcomes circular [W13/10HE](#)

<sup>3</sup> [W14/13HE Fee Plans 2015/16: Outcome of consultation on detailed proposals](#)

<sup>4</sup> See [HEFCW circular Fee Plans 2015/16: Outcome of consultation on detailed proposals W14/13HE paragraph 5.](#)

<sup>5</sup> 'A consultation on detailed proposals for change in 2015/16 was issued in January 2014, following receipt of legal advice and confirmation of HEFCW's corporate strategy targets, submitted as 'national outcomes' for higher education, by the Welsh Government'.

<sup>5</sup> [W12/03HE](#)

circular W12/38HE *Maximum fee grant arrangements 2013/14*. Since then we have published maximum fee grant allocations for 2014/15 in circular W13/29HE<sup>6</sup>.

12. Maximum fee grant allocations for institutions for 2015/16 have not yet been finalised and institutions should use indicative numbers in their fee plan. Data used in their calculations will be sent to institutions in the near future for verification and this will show the provisional maximum fee grant for 2015/16. Institutions will be notified of the final 2015/16 maximum fee grant allocations in July. Institutions are expected to ensure that any fee plan content is consistent with the expectation that tuition fee grant costs for their institution will remain within their indicative maximum fee grant. A clause to this effect is included in the fee plan template.
13. As a result of the replacement of the student number control with the maximum fee grant, institutions are not obliged to remain consistent with the average fee levels declared as part of the reallocation of student numbers process, but are still required to declare an average fee, in order for us to adequately monitor fee plan expenditure.

### **Arrangements for part-time fees and support**

14. In March 2013, 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>7</sup>. For that reason we do not require fee plans to include part-time fee income. However, institutions may choose to include HEFCW Corporate Strategy or their own institutional part-time higher education targets in their fee plans.
15. The 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; and that some part-time HE supports institutions' contribution to widening access and equality of opportunity.
16. Arrangements for HEFCW-funded part-time fee waivers will need to be amended to take account of the introduction of part-time, undergraduate

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<sup>6</sup> [W13/29HE](#)

<sup>7</sup> [Welsh Government Statement on Higher Education Part-time Undergraduate Support](#)

loans for those studying at least 25% of a full-time course and we will publish amended arrangements for consultation in the near future.

## 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>8</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 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 2014/15 are invited to discuss this with HEFCW, following discussion with their Student Union.
18. The fee plans should clearly articulate the depth and breadth of engagement with the student body, including 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>9</sup>.
19. As our 2014-15 remit letter indicates, the Welsh Government expects institutions to make a substantial contribution to regional and national objectives<sup>10</sup>.
20. **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. HEFCW has long supported the aims of widening access and this is reflected in the development of HEFCW Corporate Strategy targets based on Communities First cluster areas, those living in the bottom quintile of lower super output areas of the Welsh Index of Multiple Deprivation (WIMD), participation and retention.
21. 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>11</sup>.
22. **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

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<sup>8</sup> Appendix A paragraph 21

<sup>9</sup> [Partnership for higher education in Wales](#)

<sup>10</sup> [HEFCW's remit letter 2014-15](#) p2. paragraph 9.

<sup>11</sup> [HEFCW's Strategic Equality Plan and objectives](#)

Higher Education, HEFCW's Corporate Strategy, the latest remit letter to HEFCW from the Welsh Government and their own institutional planning.

23. Institutions should continue to ensure that fee plans are consistent with their widening access, learning and teaching, initial teacher training and other strategic planning, their Skills and Employability Action Plans and Equality Plans 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**

24. 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.
25. As noted earlier, the Welsh Government's guidance on fee plan approval and enforcement (**Appendix A**, paragraph 8) states that institutions should consider part-time and mature students within their overall approach to access. Some institutions have included part-time HE in previous fee plans and we welcome this.
26. We would encourage institutions to consider reflecting in fee plans their strategic equality plan commitments to articulate fully their contribution to equality of opportunity.
27. 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>12</sup>.
28. 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 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.
29. Two other HEFCW Corporate Strategy targets relate to full-time undergraduate students: quality and initial teacher training. We would

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<sup>12</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.

welcome institutions including targets on these areas, where appropriate, and we expect targets on ITT included in previous plans to be reiterated by ITT providers.

30. In line with HEFCW's remit for 2014-15, evidence will be sought separately from institutions on 'the proportion of student fee funds devoted to widening access and participation activity from scholarships and bursaries to school partnership and engagement activity, as well as student placement and employment preparation' by March 2015.

### **How to measure performance**

31. Fee plans must include detailed and measurable targets, benchmarks, and indicators which are achievable by 31 July 2016. 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

32. 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 serious repercussions for institutions which wish to continue to charge higher fees in future years<sup>13</sup>.

33. Institutions which include a lower level of ambition for 2015/16 to those targets included in their 2014/15 fee plan, remove a previously agreed target, or revise their relevant 2015/16 HEFCW Corporate Strategy forecasts set out in the appendix will be asked to provide a satisfactory rationale for this and may be asked to retain these objectives.

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

34. Upon receipt we will consider your fee plan 2015/16 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

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<sup>13</sup> Paragraph 43 Appendix A

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.

35. HEFCW will notify institutions of fee plan decisions by **31 July 2014**, 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 2014** will either be constrained to charge, at most, the basic fee rate, or will need to have invoked the appeals process by that date.
36. 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**.
37. Fee plans must be published and easily accessible on an institution's website within one week of formal acceptance by us.
38. 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**

39. 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, which includes an annual request for institutions to submit forecast and strategic planning information.
40. The success of the plan will be assessed following the submission of a fee plan monitoring report in **April 2017** and, as previously and if appropriate, external advice may be sought in that assessment process. Any institution failing to achieve all their targets are at risk of having their future fee plan rejected.
41. 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. The later submission date (April) 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. These monitoring statements will be published<sup>14</sup>.

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<sup>14</sup> See HEFCW circular [W14/13HE](#), page 3, letter I

42. Institutions will already be aware that they are required to provide information to the Student Loans Company in order for administrative arrangements to be undertaken.

### **Impact and sustainability**

43. In 2011 we carried out an equality impact assessment screening of circular *W12/14HE Fee Plan Guidance 2012/13* to safeguard against disadvantage and promote equality. The guidance provided in that document was considered to contribute towards widening and improving access and increasing rates of retention and achievement for those with protected characteristics. In 2015/16, we have made minor process changes including incorporating some HEFCW Corporate Strategy measures, recognising that many institutions are already using Corporate Strategy measures in full, or part, in fee plans submitted to us. Therefore, we have undertaken a further impact screening. This screening did not identify any negative implications nor unforeseen consequences for individuals with protected characteristics; however, we will continue to consider the impact of policies on equality and diversity, the Welsh language, and Welsh language provision, and on sustainability within the HE sector in Wales.
44. Institutions are responsible for impact assessing their fee plan 2015/16 proposals. 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.
45. Institutions should consider as part of their impact assessment, the Welsh language and issues of sustainability as well as how their fee plan underpins an overall approach to sustainable development (economic, social, and environmental).

### **Authorisation and submission**

46. Following a thorough process of engagement with the student body, finalised fee plans will need approval by the governing body after which they should be signed and authorised by the Vice-Chancellor or Principal. We will reject fee plans which do not fully demonstrate that institutions have been through all stages outlined above.
47. By **6 June 2014** each institution should:
  - submit one signed hard copy version of their fee plan to Rachel O’Gorman at the HEFCW offices in Llanishen;
  - email an electronic version of their fee plan to [rachel.ogorman@hefcw.ac.uk](mailto:rachel.ogorman@hefcw.ac.uk) .

### Timeline for fee plan process 2015/16

| <b>Activity</b>                                   | <b>Due Date</b>   |
|---|---|
| Publication of fee plan guidance                  | 30 April 2014   |
| Return date for first submission                  | 6 June 2014   |
| Initial dialogue and responses to HEIs            | 30 June 2014  |
| Resubmission and dialogue                         | 30 June 2014 – 18 July 2014                               |
| HEIs informed of fee plan decision                | 31 July 2014  |
| Initial referral to appeal                        | 9 September 2014  |
| Publication of fee plan online by the institution | Within one week following acceptance of Fee Plan by HEFCW |
| Fee plan report submitted                         | April 2017  |