

Huw Lewis AC / AM
Y Gweinidog Addysg a Sgiliau
Minister for Education and Skills



Llywodraeth Cymru
Welsh Government

Mr David Allen
Chair
Higher Education Funding Council for Wales
Linden Court, Ilex Close
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Cardiff
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Ein cyf/Our ref SF/HL/1242/15

18 June 2015

Dear David,

**Guidance to HEFCW in pursuit of the Higher Education (Wales) Act 2015
Preparation for delivery of the new regulatory system**

I write to provide you with guidance in respect of the first functions to be conferred on the Council by the Higher Education (Wales) Act 2015. The Act makes provision for a new higher education regulatory system for Wales which will ensure robust and proportionate regulation of institutions in Wales whose courses are supported by Welsh Government backed higher education grants and loans; safeguard the contribution made to the public good arising from the Welsh Government's significant financial subsidy of higher education; maintain a strong focus on fair access to higher education; and preserve and protect the institutional autonomy and academic freedom of our universities.

The higher education sector has undergone a period of significant change in recent years. We have introduced changes to funding, tuition fees and student finance which have put the sector in a much stronger financial position. The Higher Education (Wales) Act 2015 marks the culmination of those changes. As the Council prepares for implementation of the new regulatory system, I expect consideration to be given to minimising the administrative burdens placed on HE institutions.

The 2015 Act provides for a transitional period to allow both HEFCW and institutions time to prepare for implementation of the full regulatory arrangements in the 2017/18 academic year. The 2015/16 and 2016/17 academic years will be transitional years

as institutions move into the regulatory regime. I look to the Council to ensure a smooth transition from existing arrangements to the new regulatory regime.

The guidance accompanying this letter has been developed to assist the Council in its new role during the transitional period. It will, however, be for the Council to determine the operational detail of the new regulatory system in accordance with the new statutory framework, having taken into account the Welsh Government's guidance.

Successful implementation of the new system by the Council will benefit students studying at Welsh institutions, the reputation of the Welsh higher education sector and wider Welsh society. The Council must be in a position, in good time, to discharge its new statutory functions and to move into its new role as smoothly as possible ensuring that the HE sector is fully informed about the new regulatory system and HEFCW's intervention policy. I set out my expectations in this regard in the Remit Letter issued in March this year and I have requested that my officials continue to provide support to HEFCW officers during the transitional period.

HEFCW's new regulatory functions concerning fee limits and quality assessment will be brought into force for the transitional period. At the same time amendments will be made to the related provisions of the current regulatory system namely to section 70 of the Further and Higher Education Act 1992 (quality assessment) and Part 3 of the Higher Education Act 2004 (fee limit regulation). As a consequence of these changes from 1 September 2015, HEFCW will no longer be able to exercise functions under those 1992 Act and 2004 Act provisions. Rather, the Council will be able to exercise its new functions under Parts 2 and 3 of the 2015 Act to monitor and enforce fee limits and to undertake quality assessment.

The Welsh Government is currently consulting on the first sets of regulations to be made under the provisions of the 2015 Act and intends to bring those regulations into force during the summer. The regulations will provide further detail necessary for the full implementation of the new regulatory system. I will be issuing further guidance in due course in respect of full implementation of the regulatory system.

Bert Regards
Huw

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