



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

Llywodraeth Cymru  
Welsh Government

Ein Cyf / Our ref: SF/HL/2548/15

Mr David Allen  
Chair  
Higher Education Funding Council for Wales  
Linden Court, Ilex Close  
Llanishen  
Cardiff  
CF14 5DZ

26<sup>th</sup> January 2015

Dear David,

### **Guidance to HEFCW in pursuit of the Higher Education (Wales) Act 2015 Fee and Access Plans**

I write to provide you with guidance in respect of HEFCW's functions of approval, monitoring and evaluation of fee and access plans under the Higher Education (Wales) Act 2015. Sections 2, 6 and 7 of the 2015 Act were brought fully into force on 1 January 2016. This allows institutions to apply to HEFCW for approval of proposed fee and access plans and for HEFCW to make determinations of such plans to similar timescales as those established by HEFCW for fee plan applications under the Higher Education Act 2004.

Fee and access plans are at the heart of the new regulatory system. The requirements for the plans coupled with HEFCW's new regulatory functions 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 and maintain a strong focus on fair access to higher education.

The arrangements put in place in 2011 for fee plans under the Higher Education Act 2004 form the basis for HEFCW's approval and monitoring functions under the 2015 Act. Inevitably there will be some changes to those functions and to HEFCW's existing procedures, processes and guidance as a consequence of the coming into force of the 2015 Act. I look to HEFCW to ensure a smooth transition from the arrangements under the 2004 Act to the new regulatory regime.

The Welsh Government respects the autonomy of institutions including their academic freedom. It recognises their right to determine their own missions; design and deliver programmes of education; admit and examine students; develop and undertake programmes of research; engage in commercial activity; deploy income and other resources; determine governance, organisational structures and arrangements for the employment of staff. In discharging its fee and access plan functions under the 2015 Act HEFCW must take into account the importance of protecting academic freedom. HEFCW

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is restricted from requiring institutions to do anything which is incompatible with charity law or their governing documents. The 2015 Act balances institutions' rights with responsibilities. As the beneficiaries of public funds, regulated institutions will be required to co-operate with, and be accountable to HEFCW. This includes ensuring that fee limits are complied with and that fee and access plans commitments are delivered.

Section 49 of the 2015 Act requires HEFCW in exercising its functions in and under the Act to take into account any guidance issued by the Welsh Ministers. The guidance accompanying this letter sets out my expectations for how HEFCW might approach the approval, monitoring and evaluation of institutions' fee and access plans. I hope that the guidance will provide clarity about the Welsh Government's policy intentions, what the legislation requires and on the aspects on which HEFCW may wish to focus. It will, however, be for HEFCW 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.

Widening access to higher education is one of the key priorities in the Welsh Government's Higher Education Policy Statement published in June 2013. The Welsh Government remains committed to opening up higher education to all those with the potential to benefit from it. The measures that the Welsh Government has put in place to support students directly through the statutory student support system and indirectly through the fair access requirements placed on institutions in their fee plans have contributed to widening access to higher education in Wales. The arrangements for fee and access plans introduced by the 2015 Act will allow HEFCW to build on this foundation.

A planned and structured relationship between higher education institutions with schools and colleges is needed to better serve the interests of our learners, institutions and communities in Wales. I set out my expectations in this regard in the remit letter issued last year.

As the new regulatory system embeds I expect HEFCW to commission the gathering of information and the carrying out of research and analysis on the impact of fee and access plan measures. HEFCW should utilise the findings of this research and analysis to develop an evidence base of good practice and provide advice to regulated institutions on the most effective fee and access plan activities and investments with the aim of improving approved plan outcomes. HEFCW's analysis of the impact of fee plans during the period 2012/13 – 2016/17 should inform the initial development of good practice advice. HEFCW should also utilise relevant research and analysis undertaken in the UK and in other countries to inform the development of its widening access intelligence base.

Yours sincerely,



**Huw Lewis AC / AM**

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