



Eich cyf/Your ref
Ein cyf/Our ref: MA/KW/1432/21
Rob Humphreys
Chair
Higher Education Funding Council for Wales
Tŷ Afon
Bedwas Road
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Caerphilly
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24 March 2021

Dear Rob

REMIT LETTER 2021-22

1. I am writing to outline my priorities for the coming year and confirm the objectives we have agreed for the remainder of this term of Government. Before doing that I want to place on record my sincere thanks for the enormous effort of Council members and officials in supporting the Welsh Government during the past year in responding to the challenges presented by the pandemic. I am very appreciative of the hard work and dedication it has taken in ensuring resources have been targeted and distributed quickly to where they could be most effective in supporting institutions, their staff and students in dealing with the impacts of Covid-19.
2. This has been a year like no other. Responding to the pandemic has required a massive, sustained and concerted team effort across all HE activities and I would like to extend my thanks to staff within our institutions, at all levels, roles and disciplines, for their personal contributions to the Welsh response. I also want to acknowledge the important contribution made by students themselves, whether that was through providing frontline support to the NHS or through helping to keep Wales safe by complying with the restrictions we have had to put in place, which I know has been difficult for many.
3. However, the challenge continues. Whilst our first priority must be to ensure the continued safety, health and wellbeing of university staff and students and our communities we must also turn our focus to our recovery. The consequences of the pandemic for our economy, society and communities have been profound and our universities will play a crucial role in helping Wales recover.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

4. Ensuring the ongoing strength and sustainability of our higher education sector, therefore, remains a key priority for this Government so it is able to continue to deliver world-leading education and research in support of our economy, our education system, society and communities in Wales.
5. I am pleased, therefore, that I have been able to secure additional funding this year enabling a total allocation to the sector for 2021-22 of £213,503,000.

Achievements

6. This will be my last remit letter to the Council. As I reflect on my time in office I am proud of the progress we have made, working together as a sector and government, to create a more equitable and sustainable higher education system in Wales, built on the fundamentals of transparency, openness and fairness.
7. I am delighted with the increases we have seen in both part-time and postgraduate students and in full time undergraduate students from the most deprived areas. The reforms we have introduced have given us a real opportunity to tackle some of the enduring inequalities in our society and help support the principles of widening access, social mobility, lifelong learning and improved economic prospects.
8. Civic mission has been at the heart of our reforms and is now firmly rooted at the core of our higher education sector. The pandemic has highlighted the important role our institutions play in developing and sustaining thriving, informed and resilient communities. I am delighted that I have been able to support the Council in reintroducing its Research Wales Innovation Fund. Through this Fund I would like the Council to ensure institutions maintain their sense of civic responsibility and continue their crucial work in supporting their local communities, especially as we emerge from the pandemic.
9. As we phased in our reforms I gave an assurance to HEFCW that its income would continue to increase in each year of this Government. I am pleased that I have been able to deliver on that commitment.

Strategic Objectives

10. Through the effective performance of its regulatory and funding functions HEFCW is central to ensuring our higher education system is sustainable, equitable, well governed and delivers a quality experience leading to satisfactory outcomes for learners.
11. With Senedd elections in May it will be for the new Government to set out in due course its strategic objectives for the new term. Until a new Programme for Government is published I would like the Council to continue to use its influence to strengthen the sector's contribution to achieving our ambitions for Wales and help us deliver on our national well-being objectives.
12. In particular, over the remaining term of this Government, I would like the Council to focus on delivering the following objectives:

Supporting Students

13. Universities have worked incredibly hard this year to support students in dealing with the academic and social impacts of the pandemic. I have been proud to see the measures and approaches taken to protect the health and well-being of students and staff across the sector. The challenge for students to remain at university, to stay well and engaged with their studies has been considerable, for students and for universities themselves. I would like the Council to continue to support institutions with this crucial work to help them do all they can to mitigate the risk of students discontinuing with the studies and the negative impact that would have on their well-being and career prospects.
14. To support the Council with this endeavour I am delighted that I have been able to retain within HEFCW's budget this year funding of £2m for mental health and well-being, which will enable institutions to maintain and build on their existing good work. Whilst this is the level of funding allocated within the budget, both HEFCW and institutions should consider the level of need within institutions and the sector and allocate additional funding if necessary.
15. I would also like to see specific measures introduced to support students making the transition from school or college to university this year taking into account the disruption they have experienced both emotionally and academically.
16. This past year has also raised questions about the approach to higher education across the UK and challenged some very long held views on issues such as examinations and their relationship with university admissions and entitlement to life-long learning. I expect the Council to work with the Welsh Government in tracking and responding to emerging policy developments in England and other UK nations as we move forward, at the Wales and UK level, on issues such as A levels and pre-qualification admissions.
17. I also welcome the work done by the Council and across the sector to strengthen safeguarding approaches to ensure institutions are safe, secure and inclusive learning environments for all staff and students. Nevertheless, there continues to be evidence of race-based inequalities within higher education. I want the Council to work with the sector to make rapid and sustained progress to improve the experience of staff and students in higher education regardless of their racial background.
18. Some of our institutions are already working towards Advance HE's Race Equality Charter. During this coming year I want to see all of our institutions begin the process of achieving a Charter Mark as a demonstration of their commitment to eradicating racism and racial inequality at all levels within the sector.

Supporting Economic Recovery

19. Supporting our economic recovery will be a key focus of the Council's work this year. Emerging from the pandemic presents challenges but also opportunities to revitalise and rethink the higher education offer. I would like the Council to work with the sector to consider what opportunities can be created to support graduates, furloughed workers and others negatively impacted by the pandemic with opportunities to retrain, reskill or

encourage them to access higher education perhaps for the first time. I would also like the Council to maintain the momentum on developing a strategic response to the pandemic through the work of its Looking Forward Group.

20. Modular and short course provision aligned to economic need remains a priority for the Welsh Government in creating more flexible opportunities for individuals to retrain, reskill or switch careers and I would like to see higher education play its part. I would like the Council to continue its work in supporting the development of micro-credential and modular courses in Wales in support of our economic growth and recovery. I have allocated an indicative contribution of £1.1m to support this activity.
21. The funding I have secured for higher education this year recognises the impact of the pandemic on the sector and their role in growing the future economy, through increasing high skills levels, research and innovation and civic mission. The additional £25m allocation will put the Council in a better position this year to start to implement the final phase of our response to the Diamond and Reid Reports, including increasing its investment in research and knowledge transfer, expanding its support for expensive and higher cost subjects (both full-time and part-time) and to continue for a third year the postgraduate incentives and 60+ bursary schemes we introduced in 2019/20.

Degree Apprenticeships

22. Degree apprenticeships are a significant addition to our higher education offer in Wales, creating a wider range of opportunities for individuals to develop the higher levels skills that are so crucial to our economy. I thank the sector for their continued work in making a success of this programme. I am aware they have had to respond to tight deadlines and the challenges that the pandemic has caused to delivery and recruitment. I have allocated £5m within HEFCW's budget to continue the delivery of degree apprenticeships in Wales this year. Additional funding for 2021-22 will be confirmed in due course
23. Degree apprenticeships are under three years old and there is much to learn. I expect HEFCW to continue to work with Welsh Government on the independent evaluation of the programme and to implement the recommendations made by the Economy, Infrastructure and Skills Committee.

Innovation, Graduate Entrepreneurship

24. Co-ordination between HEIs' Research, Innovation & Engagement funding and the Welsh Government's programmes to provide support for innovation through SMART Expertise and KTPs, is proving an effective collaboration model, which I would like to see continue and deepen. I would also like to see continued alignment with the Youth Entrepreneurship programme to support graduate outcomes and strengthening of engagement with SMEs and the business community, to build resilience and develop enterprising capabilities in Wales.

International

25. Despite the limitations created by the pandemic the marketing opportunities provided under Global Wales and its successor Global Wales II have strengthened the Study in Wales brand and created opportunities for international collaboration. In recognition of the success and significance of the project, I am pleased that I have been able to secure additional funding this year for a third phase of the programme, Global Wales III, which will help maintain momentum of this important initiative, enable further investment in the brand and progress opportunities for ongoing international collaboration.
26. I would like the Council and its Global Wales partners to consider how the benefits the programme brings for Wales can be extended across the tertiary education sector. From next year, Global Wales will be incorporated into the newly launched International Learning Exchange Programme. I would like the Council to ensure a smooth transition for Global Wales, and to consider how it can engage with and support the development of the International Learning Exchange Programme this year.
27. This coming year we will begin to see the full effects of the UK's exit from the EU. Working with officials and institutions, the Council should continue to monitor and respond to the emerging wider context and its implications for the HE sector.

Post Compulsory Education and Training Reform and CTER

28. As we progress with our post compulsory education, training and research (PCET) reforms I would like to thank you for your continued engagement through PCET Stakeholder meetings, your detailed responses to the Draft Tertiary Education and Research Bill consultation and technical workshop, and assistance in delivering and publishing the PCET Vision and Principles for Change.
29. I anticipate the new Government will bring forward legislation to establish the Commission for Tertiary Education and Research (CTER) from 2023, which will have wide implications for HEFCW and the PCET sector. It will be essential that the Council and its staff continue to work together with officials on, but not limited to, forward planning and financial considerations to enable smooth transition and business continuity through a range of means including CTER work streams.
30. As we progress our plans for the Commission I would like the Council to lead on bringing together various sector bodies and relevant Welsh Government officials to develop a co-produced leadership development programme for the tertiary sector.
31. Joint working across the whole education system to improve equality of access and outcomes for post-16 learners will be at the heart of the new Commission. I would like the Council to continue with its collaborative and co-operative approach by encouraging universities actively to engage with the principles underpinning the Curriculum for Wales.

Supporting Schools and Curriculum Development

32. I published the Curriculum for Wales: Implementation Plan in January setting out, for the education system and the wider public, our preparations for rolling out the Curriculum for

Wales.

33. We need clear, shared aspirations to realise curriculum reform, and a clear understanding of how each part of the system will work individually and together to support schools. For our universities this includes and extends beyond Initial Teacher Education.
34. I am grateful for the important role undertaken by many of our universities in supporting curriculum development at the national level over recent years. University departments and individual researchers and academics have made a significant contribution in the various Curriculum for Wales guidance work streams. The sector should continue its contribution to the process of curriculum development at the national, regional and local levels. Curriculum reform is an ongoing process and striving for learners to realise the four purposes is a fundamental goal that extends beyond the initial rollout of the Curriculum for Wales.
35. I would like the Council to encourage our universities to continue their engagement with schools in their local areas, and through the National Network arrangements set out in the Implementation Plan. Through these mechanisms, and working with other education partners including in further education, universities should play an ongoing role in supporting: learning experiences for school-age children; more effective transitions from pre-16 to post-16 learning progression; professional learning for practitioners; and the collaborative development of bilingual resources for schools and settings as well as curriculum related research and publications. I would like the Council to work with my officials to consider how universities can draw Curriculum for Wales principles into their own provision of services to better support learners in their preparedness and ability to engage in post-16 education.
36. I am grateful for the support of the sector over the past year in working with us on a number of key developments to support professional learning and leadership in our schools. I hope this collaborative relationship will continue as we further develop our approach.

Business Plan and Reporting

37. I look forward to receiving your Business Plan, which should cover the period from 1 April 2021 to 31 March 2022, setting out how you will achieve these objectives. The funding allocated is confirmed for 2021-22 only. I would like the business plan to clearly describe the activity the Council will undertake during this period. A revised Business Plan may be required following the Election and publication of the new Government's strategic priorities.
38. Please submit your business plan to Alison Bryant, Head of your Partnership Team, by 30 June 2021.
39. I am grateful for the work that the Council does in relation to monitoring the financial health and sustainability of the sector. Given that the sector is continuing to experience the impacts and significantly heightened risks as a result of the pandemic, I expect the

Council to continue to provide regular, confidential updates to my officials relating to the financial health and related risks at institutions.

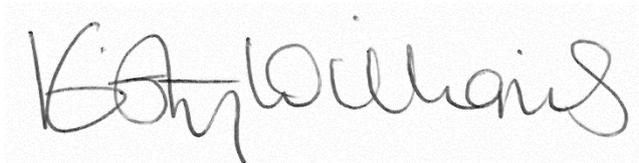
Wellbeing of Future Generations Requirements

40. The Welsh Government requires all of its public bodies to work in line with the five ways of working set out in the Wellbeing of Future Generations Act. 2015.
41. As required by the Wellbeing of Future Generations Act 2015, HEFCW has published its wellbeing objectives and is required to evidence progress in an annual report. Progress will be monitored by the Wellbeing of Future Generations Commissioner.

Oversight Arrangements

42. Your partnership team will continue to meet you to discuss oversight and reporting arrangements. Welsh Government operates a risk-based approach to oversight, working with its public bodies to identify the appropriate level of oversight and monitoring for the individual organisation. The partnership team will undertake periodic assessments of the risk assurance available to them.
43. These arrangements and this remit will remain in force for the lifetime of this administration, although the remit may be amended if Ministerial priorities change. At the end of this term of Government, these arrangements will roll forward until the next administration has developed its strategic agenda.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams', is centered on the page. The signature is written in a cursive, flowing style.

Kirsty Williams AS/MS
Y Gweinidog Addysg
Minister for Education

Annex 1

Detailed allocations for the HEFCW Budget Expenditure Lines for 2021-22 are set out below (£s):

Revenue (net)	203,413,000
Non-cash (depreciation)	90,000
Capital (net)	10,000,000
Total provisional Grant-in-Aid	213,503,000

The HEFCW revenue expenditure is an amalgamation of the following budget lines that were in place prior to 2017-18:

- For our Future;
- HEFCW running costs; and
- HEFCW receipts.

Decisions on the level of funding allocated to each expenditure line are now the responsibility of the Council. However, at the start of each financial year, HEFCW must provide the Welsh Government with an estimate of their running costs for the year and an estimate of their anticipated receipts for the year. Any shortfall in anticipated receipts will need to be managed within HEFCW's overall budget allocation, unless otherwise agreed in writing with the Welsh Government.

The HEFCW Revenue Expenditure Line includes the following allocations:

- £5m to support Degree Apprenticeships;
- £4.25m to fund postgraduate incentives and 60+ bursaries; and
- £1.6m for Global Wales III.

Annex 2

Conditions of Grant

HEFCW will comply with the terms of the Framework Document agreed between the Council and the Welsh Government and dated September 2014 or such other document that may be issued to HEFCW by the Welsh Government from time to time.

Condition of Grant on Regional Coherence

In the exercise of its functions to allocate funding to providers of higher education, HEFCW must have regard to regional coherence.