

Commission on Devolution in Wales: Second Call for Evidence

1. About Higher Education Wales

Higher Education Wales (HEW) represents the interests of higher education institutions (HEIs) in Wales and is a National Council of Universities UK (UUK). HEW's Governing Council consists of the Vice-Chancellors of all of the HEIs in Wales. HEW provides an expert resource on all aspects of the Welsh higher education (HE) sector.

Universities in Wales represent a significant sector of the economy. Universities contribute more than £2billion a year in gross expenditure to the Welsh economy, with international students alone generating a value-added contribution of over £140million.

- 91% of graduates from full-time first degree courses in Wales are employed within six months of leaving higher education, higher than the UK average¹;
- Universities are major employers in their own right – collectively they have 24,600 employees, with a total turnover of £1.2billion located in Wales²;
- Based purely on patterns of expenditure, for every £100million that is invested in higher education, £102million will accrue to industries³.

2. About this response

HEW welcomes the opportunity to submit evidence to the Commission on Devolution in Wales. In many respects HE represents the paradigm of a 'cross-border' public service – locally delivered by HEIs grounded in their communities, but with horizons focused beyond the borders of Wales and the UK. The intrinsically cross border nature of HE has intensified as a result of the rapid internationalisation of HE in recent years – a trend which is accelerating. Universities in Wales have and are continuing to embrace this process and have welcomed the opportunities that cross border working – in the UK and internationally - provides in helping to develop the knowledge economy in Wales.

3. Key messages

Much has changed, both in the HE sector, and across society since Wales voted in favour of creating a National Assembly in 1997, and HEW is keen to engage with the ongoing devolution process. The key messages to highlight are:

- The need for structured, practical and regular intergovernmental liaison and coordination between the UK governments;
- The need for clear, concise and effective outward communications regarding differences in policy areas, and the impact these differences have;

¹ Destinations of Leavers from Higher Education (DLHE) statistics, Higher Education Statistics Agency (HESA) http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=1899&Itemid=239

² Staff in Higher Education Institutions 2010/11, Higher Education Statistics Agency (HESA)

http://www.hesa.ac.uk/index.php?option=com_pubs&task=show_pub_detail&pubid=1717&Itemid=276

³ Higher Education Wales (HEW) - Welsh Government draft budget proposals for 2013/14, National Assembly for Wales, Enterprise and Business Committee, 27 September 2012, written comments from HEW

- The need for recognition of the interaction of differing financial systems in HE leading to anomalies.

4. Key issues

How could the operation of the devolution settlement be improved in other ways than transferring powers?

Devolution means that decisions on HE policy should be made in Wales taking into account Welsh needs, but this should not discourage voluntary policy coordination between the UK administrations where the nature of the policy area concerned has critical cross border elements. Since devolution, decisions in England, Northern Ireland, Scotland and Wales have clear mutual impacts which merit discussion and careful consideration before major decisions are taken. In an area of public service delivery that has a crucial UK wide dimension, the need to develop policy with cross border ramifications in mind is essential.

For the HE sector in Wales to work to the best of its ability with partners in other UK nations, and across the world, maintaining productive and efficient intergovernmental relations is critical. The memorandum of understanding⁴ between the UK Government and the devolved administrations sets out these principles. The memorandum covers communication, consultation, the exchange of information and other matters. There is little evidence relating to this formal machinery and its effectiveness in coordinating HE policy. However, UUK's paper⁵ on devolution and HE argues: "*the UK government's policy making process often considers devolved concerns late, or not at all, and remains underdeveloped*", and continues that this does not apply to links between the HE funding councils where there are long established arrangements for coordination and liaison. There is still work to be done to develop and enhance the communications, exchange of information and consultation between governments, and we would urge further evidence collection on the effectiveness of existing arrangements to be utilised in improving relations. Proper, formal channels between UK HE policy making officials should be established and utilised as soon as practicable.

What general observations do you have about the nature of the current devolution settlement?

Devolution rightly means that decisions on HE policy are made in Wales taking into account Welsh needs. In reality, HE policy is influenced by factors outside the UK, although these factors affect all the UK administrations. The Bologna process⁶ for

⁴ Cabinet Office - Memorandum of understanding and supplementary agreements https://update.cabinetoffice.gov.uk/sites/default/files/resources/Memorandum_of_Understanding_and_Supplementary_Agreements.pdf

⁵ Universities UK – Devolution and higher education: impact and future trends <http://www.universitiesuk.ac.uk/Publications/Documents/DevolutionAndHE.pdf>

⁶ The Bologna Process – Towards the European Higher Education Area http://ec.europa.eu/education/higher-education/bologna_en.htm

example is designed to introduce a system of academic degrees that are easily recognisable and comparable, promote the mobility of students, teachers and researchers, ensure high quality teaching and incorporate the European dimension into HE. The European Union is now a big influence on research and innovation, with major funding drivers to drive policy across the area. Thus, devolution for our universities is not just a question of how the UK nations work together, but how they work with partners beyond our shores. The focus and understanding of devolved policy amongst key UK agencies and departments working overseas is therefore crucial. The economic impact of international and European Union (EU) students in Wales is documented in the 2011 report for the Wales International Consortium, HEW and HEFCW *The Impact of International and EU students in Wales*⁷. Effective communications relating to the different policy contexts, for example how the different fees and funding regimes in the different UK nations operate, is critical. Whilst each nation has a different 'offer', governments should work together to increase understanding of the differences and what each of the policy contexts mean in practice to different groups. UK nations must be able to successfully compete in the global market.

The size of the HE sector in Wales enables institutions to work collaboratively on a range of themes and programmes. In tackling quality enhancement for example, HEIs in Wales are working together on a made in Wales programme entitled *Future Directions*⁸, aimed at enhancing specific areas of the student learning experience, through encouraging academic and support staff, and students collectively to share current good practice and to generate ideas and models for innovation in learning and teaching. The programme takes a thematic approach, with the current theme *Graduates For Our Future*, borne in part to address the Welsh Government's twin priorities for HE – supporting a buoyant economy and delivering social justice⁹. Devolution has allowed these 'made in Wales' programmes to flourish, and allowed local solutions to local problems to be developed.

What principles should underpin any modification of the settlement?

Any modification of the settlement should take into account the following principles:

- A more structured approach to intergovernmental relations, with regular meetings between ministers responsible for HE from the UK Government and devolved governments – to ensure all relevant parties are aware of developments under discussion, and the potential impact of these;
- A greater clarity at the UK Government level about the interaction between devolved and non-devolved policy areas and the impact on universities;

⁷ The Economic Impact of International and EU Students in Wales
<http://www.hew.ac.uk/EN/Publications/Documents/Oxford%20Economic%20Report%20-%20final%2023022011.pdf>

⁸ Future Directions for Higher Education in Wales
http://www.heacademy.ac.uk/assets/documents/nations/wales/Future_Directions_briefing_paper_August_2011.pdf

⁹ Welsh Government – For Our Future <http://wales.gov.uk/docs/dcells/publications/091214hestrategyen.pdf>

The academic, cultural and economic impact of international students in Wales cannot be underestimated. The Organisation for Economic Cooperation and Development¹⁰ (OECD) estimate that the total number of tertiary level students enrolled outside their country of citizenship grew 95% between 2000 and 2010 from 2.1million to 4.1million. The UK's share of this total market reached 13% in 2010, and the size of the market could increase further to around 7million students by 2020. Whilst the UK is a strong performer in the international student market (second only to the United States of America in terms of attracting international students), significant gains are being made in other countries. As set out by UUK¹¹, the desire to ensure HEIs across the UK are attractive to international students serves as a powerful factor to ensure UK HEIs are offering degrees which conform to the 'gold standard' and are recognised internationally. This means that degree standards, and measures of teaching and research quality, need to operate within a UK-wide frame of reference.

Similar pressures influence the recruitment of academic staff, with HEIs in Wales keen to recruit the best staff from the global labour market. This suggests a need to comply, largely, with UK-wide standards, often those set in England. Whilst these factors may be informal, they can be immensely powerful. Intergovernmental liaison is a critical area of concern, and must not be overlooked.

What examples can you give of policy areas that are currently encumbered by the current division of responsibilities of operation of the devolution settlement? This may include cross-border problems, lack of effective policy coordination, or friction arising from the precise definition of devolved powers.

The existence of different fees and funding regimes across the UK nations means that when students from one nation move to another nation to study, it is not always clear to the student what support is available. This is further complicated by EU law, and the need to treat students from other EU member states in the same way as 'home' students. We support the right of devolved nations, including Wales to set their own fee policy. Effective communication in this area is absolutely key, and governments must work together to produce and disseminate a coherent message set, ensuring UK media does not focus on English policy alone.

Responsibility for science policy in Wales is shared between the Welsh Government and the UK Government. We would advocate a more structured approach to intergovernmental relations. Any future review of Research Councils would be a subject for such an approach. A greater understanding of devolution by civil servants working in the science area should also be promoted.

¹⁰ Organisation for Economic Cooperation and Development <http://www.oecd.org/education/>

¹¹ Universities UK – Devolution and higher education: impact and future trends
<http://www.universitiesuk.ac.uk/Publications/Documents/DevolutionAndHE.pdf>

5. Conclusion

Universities in Wales see the cross border nature of higher education both as a strength and as a future opportunity. The success of universities in Wales is dependent, not only on our ability to engender skills and prosperity in our local communities, but our ability to secure cross border students, research funding, and business partnerships, which will in turn directly benefit our communities. Any future devolution settlement for Wales must benefit both the HE sector as well as the population of Wales. Universities need a policy framework at a Wales and UK level that facilitates the development of appropriate national policy, and not inhibit it. We trust that, as crucial decisions are made about the future of the HE sector by the Welsh Government and the UK Government, Ministers and officials at the different levels of government will collaborate fully with each other and the HE sector to ensure that universities are assisted in our efforts to create a learning society and enhance the knowledge economy in Wales.

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