

**Universities Wales response to
HEFCW Circular W16/33HE
Developing a Higher Education Strategy for Wales**

Introduction

1. Universities Wales supports HEFCW's development of a new ten year strategy for higher education (HE) in Wales and the draft strategy is a definite step-change from previous approaches. We believe this presents an exciting opportunity for not only our universities in Wales and their students and staff, but also communities' right across Wales. Welsh universities are an integral part of Wales' society and economy and so we believe an ambitious strategy for a thriving HE sector is crucial for a prosperous Wales. The principal priorities of the sector regarding the future of HE are publically available in Universities Wales Manifesto, which prioritises support for part-time and postgraduate provision and research activity.
2. Universities Wales recognises HEFCW's proposed strategy has progressed a long way from the approaches that we have seen in the past and we are supportive of the way it proposes to challenge our universities to maximise their impact for Wales. Whilst we have some concerns with aspects of both the structure and content of the strategy, the overarching concept of framing the strategy with the Future Generation's act is sensible. Aligning the strategy with the Future Generations Act gives HEFCW and the sector an opportunity to work differently and although universities are not public bodies, and therefore not directly subject to the Future Generations legislation, the fundamental principles of the Act around improving the social, economic, environmental and cultural well-being of Wales, are principles shared by universities in Wales. With that in mind, we are supportive of the way the draft strategy is being developed but we are keen to see the high level points below that have been grouped into overarching themes for ease, considered and developed further in the next phase of drafting.

Strategy structure

3. Overall it needs to remain clear that this strategy outlines what Welsh Government envisages in relation to higher education. However, as universities are an integral part of Wales' society and economy and committed to working collaboratively with Welsh Government for the benefit of all in Wales, buy-in from both Welsh Government and universities will be crucial to the success of the strategy.
4. Based on this we would recommend a short and succinct statement in the strategy that clearly sets out a vision of Welsh HE from the perspective of Welsh Government, from which the rest of the strategy flows. We believe that this should focus on outcomes for the citizens of Wales, not specific targets. Whilst we have already mentioned the benefits of casting the strategy against the Future Generations goals, care must be taken that it encapsulates everything that Wales will need from higher education that may well fall outside of the Future

Generations goals - a careful balance between a cutting-edge strategy and not losing the excellence that the sector already has.

5. To provide context for the rest of the strategy, it should set out what assumptions have been made for what the sector will look like in 10 years in addition to what Wales and the UK will look like. The strategy should then seek to address any assumed challenges for Wales and what the mitigations to those challenges should be.
6. Consideration should also be given to a shorter, more accessible strategy with fewer statements of intention and a clearer vision, as outlined above. In terms of clarity, care should be taken to ensure that any ambiguity within the statement is minimised to avoid unnecessary confusion. For example, the comment around research support being targeted on 'areas of strength and national priority' could be interpreted as an intention to alter the current dual support system for research funding. Although we understand that it is not the intention of HEFCW to change the current un-hypothecated QR funding system, there is scope for this to be misinterpreted.

Looking beyond Higher Education

7. Universities in Wales are national assets – not simply resources to deliver programmes of study but major generators of investment and income for the wider Welsh economy, and social and cultural anchors in all regions across Wales. This wide ranging role should be prominent in all considerations of what Wales needs for the future. For example, the significant civic role of universities to towns and communities in Wales in particular for example, Lampeter, Aberystwyth, Bangor and Carmarthen, will continue, if not grow, over the next 10 years as we have seen on a larger scale with the Cardiff City deal. Regional Skills Partnerships and links to City and Growth Deals are a growing agenda in Wales and one that the HE sector needs to be involved in.
8. Welsh universities perform roles that straddle, and are crucial to, a range of public policy areas, and as such a strategy for HE should be interlinked with other overlapping Welsh Government strategies for example economic, industrial, health, Welsh language strategies etc. Universities in Wales are committed to collaborating both across the sector and with other sectors to work towards the Future Generations Act's Well Being goals. The HE Strategy should therefore clearly reflect how universities currently, and will in future, contribute to and mesh with other Welsh Government strategies. As part of this integration we anticipate the strategy will require a greater emphasis on collaboration with industry and the public sector and creating a system that generates investment.

Looking beyond Wales

9. Looking beyond the context of Welsh Government's 10 year ambitions for HE, we must not lose sight of the fact that universities in Wales operate in a UK and international environment and are impacted by decisions that are made in Westminster and around the world. With that

in mind, a HE strategy for Wales must be flexible enough to respond to those outside influences in order to ensure that our universities remain internationally competitive and capable of continuing to deliver for Wales across all aspects of the strategy.

10. Demand of and for HE is not just from Wales as a nation. There is demand from students, employers, communities and cities on both a local, national (Wales and UK) and international level. In 2013 Welsh universities attracted over 25,600 students (19% of the total Welsh university student population) from 145 countries to come to study in Wales. This not only attracts additional funds into Wales and boosts export earnings (international students at Welsh universities, together with the expenditure of visitors connected to those students, generated £530 million of export earnings, equivalent to 4% of all Welsh exports 2014), it also creates important cultural and economic links between Wales and the world which should be nurtured and expanded upon in the strategy.
11. Wales does not operate in isolation from the rest of the world and internationalism is more important than ever in the context of Brexit. Whilst it is good to see that the value of our universities' international connections have is being recognised, there are already serious implications as a result of the vote to leave the EU that will have a significant and long-lasting impact on HE in Wales that need greater consideration in the strategy. For example, the loss of structural funds and the uncertainty around an alternative, or the effect of immigration policies on international student recruitment, will require a strategy that allows universities to modify and adapt their actions once the outcomes are known.
12. Wales has a unique HE system, and it is right to focus on making this the best that it can be, but it must be framed within an international context and be more outward facing if we are to deliver more for Wales. The strategy presents an opportunity to consider how Wales' HE system distinguishes itself from policy differences in Westminster and globally to present this unique offer to students and business in Wales and across the world.

Looking to the future

13. There have been major events, both globally and locally, that will significantly affect higher education in Wales during the 10 year period covered by the strategy. Whilst we understand HE in Wales operates in a constantly changing environment and it will not be possible to predict all future changes, the result of the EU referendum (covered above) and the recommendations of the Diamond Review of student finance and university funding in Wales in particular, will have long-ranging implications that need to be considered in the strategy. In reference to the Diamond recommendations in particular, the focus on a fairer funding system will open up many more opportunities to higher education to all students in Wales and this will have a knock-on effect for individuals, universities and employers in Wales that need to be considered in the strategy.
14. This consultation is happening in the period before the government has had an opportunity to respond to the Diamond Review and it will be crucial that the next draft of the strategy takes into account the views of government in this regard. It may be necessary therefore, to

pause and create space in the process to fully understand the government's response to the Diamond Review before the final consultation on the HE Strategy.

15. The outcome of major changes in the school curriculum in Wales will see a shift from knowledge to skills and will certainly have future implications for HE. With this emphasis on skills, it will be important to consider what both students and employers expect a graduate to look like in the future and for the strategy to be able to adapt accordingly. For example, the weak graduate labour market in Wales and the loss of careers advice in schools are both challenges that need to be considered.
16. When considering demand over the next 10 years, the strategy should be cognisant of other potential changes in the staff and student body. There needs to be greater reference to improving the diversity of the student and staff population in the strategy. Whilst current concerns across the UK include the gender imbalance in STEM, the participation of white young males and the barriers and discrimination faced by BME students, the strategy must recognise that the focus of equality and diversity policies could shift to other groups or priorities over the next 10 years and be able to adapt accordingly.
17. The strategy should also be mindful that students will have an increasing number of decisions to make about shaping their education. For example, the different types of learning available to them are on the increase, both within universities and externally from private providers.

Conclusion

18. We believe that the final strategy must bring along the Welsh Government, our students and universities as it attempts to create a vision for the next 10 years that harmonises across government. Universities have an impact right across Wales and so any strategy needs to be flexible and adaptable enough to allow our universities to take advantage of our ever-shifting environment and to continue to work with Welsh Government to help create a healthier, wealthier and more prosperous Wales. Whilst we appreciate that HEFCW is working to a tight timescale for submission of the strategy, we do consider it prudent to pause and allow space to consider the government's response to the Diamond Review for example, and to ensure that stakeholders have an opportunity to provide feedback on the final draft.