

Welsh Government Consultation
Student support funding for students ordinarily resident in Wales
A response by Universities Wales

1. About Universities Wales

- 1.1. Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK. Universities Wales' Governing Council consists of the Vice-Chancellors of all the universities in Wales and the Director of the Open University in Wales.

2. Introduction

- 2.1. The Welsh Government set out its response to the Diamond Review Report recommendations on 22 November 2016.¹ Stakeholders were invited to answers to the specific questions set out in the consultation document, or to comment in more general terms by 14 February 2017.²

3. General comments

- 3.1. We are delighted that the Welsh Government has endorsed the principles of the Diamond Report, and has confirmed that it will be “implementing, with only minor modifications, the full Diamond package”.³ We would like to offer our full support and assistance with the process of implementation and offer the following comments with that intention.
- 3.2. If fully implemented, we agree with Welsh Government that the result is likely to be “a sustainable and progressive higher education funding settlement that supports students when they most need it, and enables our universities to compete internationally.”
- 3.3. As we look to the future, universities, and the growing proportion of people studying at them, will be the key drivers of economic and social transformation in Wales. We hope that, as a result of the cross party support for the Review, we can build a consensus regarding the value of universities and their students to Wales and we look forward to working with Welsh Government to deliver their aim of early implementation of the recommendations.
- 3.4. The current consultation only concerns the student support element of the full Diamond package. Our comments below are based on the Welsh Government's position that it is essential that the recommendations for both sides of the Diamond support package are fully implemented – including both the funding of HE provision and student support arrangements. We strongly support the final words of the Diamond Report: ‘In conclusion, the proposed package of recommendations outlined above comprises interlocking elements and should be seen in its entirety; it therefore requires implementation as a

¹ See [here](#) for The Review of Higher Education Funding and Student Finance Arrangements in Wales, Final Report, September 2016 (the ‘Diamond Report’) and Welsh Government response.

² For the Consultation homepage see [here](#).

³ Plenary, 22/11/2016, 15:04, Record of Proceedings (see [here](#)).

whole'. As commented by the National Union of Students, 'it will not work in any other way'.⁴

3.5. Our response below focuses on a number of key issues for institutions as a collective. For more specialist advice on matters of detail, we refer the Welsh Government to individual university responses.

4. Full-time and part-time undergraduate provision (Questions 1 to 6)

Question 1 – Are there any major implementation issues arising from the changes to the tuition fee and maintenance support packages which will impact on the timescale of the Welsh Government response?

Agree	<input type="checkbox"/>	Disagree	<input checked="" type="checkbox"/>	Neither agree nor disagree	<input type="checkbox"/>
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4.1. The key implementation issue in terms of student support arrangements, as identified by the Welsh Government, appears to be the capacity of the Student Loans Company (SLC) to process the policy changes for Wales. We welcome the measures that the Welsh Government has taken to ensure that, in future, policy decisions in Wales are not hindered by administrative issues. Provided that the SLC is able to deliver the changes, we do not anticipate any major difficulties with implementation.

4.2. In particular, we note that there are significant changes in eligibility for part-time support and understand that there may be particular challenges in administering the new support scheme as a result. We support the Welsh Government's intention to take a phased approach to implementation, which will enable the practicalities to be managed.

4.3. We also note that experience of previous support schemes has demonstrated that timely and effective publicity and communication of the new arrangements is essential for achieving an appropriate uptake in student support. We know that full-time students, for instance, will be starting the process of investigation and selection of their study options this summer for entry in 2018/19. We would like to work with the Welsh Government and other key stakeholders to identify how we can maximise publicity of the new arrangements.

Question 2 – Are there likely to be any unintended consequences from implementing the changes to the tuition fee and maintenance support packages?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input checked="" type="checkbox"/>
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4.4. Given the extent of change to student support arrangements and the many forecasting variables, alongside other changes in the student market at Wales, UK and international level, there will be some challenges to be managed. It should be noted that many of these exist under current support arrangements..

⁴ See NUS Wales President comment, 27/09/2016 ([here](#)).

4.5. We welcome the measures being put in place to monitor and inform further policy development. There is a need for a robust process for monitoring and modelling. If more resource is required (or available) than expected for some components, we need to ensure that this is not at the cost of a balanced support and funding package for higher education.

Question 3 – Do you have any suggestions for sharing risks and controlling the costs/numbers of students eligible for student support?

Agree	<input checked="" type="checkbox"/>	Disagree	<input type="checkbox"/>	Neither agree nor disagree	<input type="checkbox"/>
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4.6. We agree that the main controls should include careful modelling, monitoring and research, piloting aspects of the scheme, and the phased introduction of the changes, as set out in the Welsh Government’s proposals. The Welsh Government proposes to set up a working group specifically to further consider the sustainability of the links to the National Living Wage, and the balance of loans and grants and the introduction of controls on student numbers or costs. We look forward to contributing to the work of this Working Group, and assume that the Universities Wales will be represented on this Working Group.

4.7. We should stress the need to avoid the introduction of direct student number controls, however. As we identified in our response to the Diamond Review, there is a pressing need to raise the overall rate of participation in higher education for students from Wales. The latest figures relating to the 2017 UCAS recruitment cycle, for instance, indicate that the participation rate of young full-time undergraduates has declined in Wales (from 32.2% to 31.7%) and currently remains the lowest in the UK.⁵ Direct student number controls would appear to be contrary to the aims of the Diamond Report and Welsh Government’s own policy principle: “that the choice of institution and course for Welsh students should be driven by individual circumstances and need.”⁶ Furthermore, **our past experience also shows that student number controls applied to Welsh institutions are ineffective in controlling costs, as students have simply crossed the border to study.** The evidence we have is that students do not pursue opportunities within further education colleges instead, as they regard university environment and facilities as very important for their needs.⁷ This takes student investment, supported by the Welsh Government, from Welsh providers to providers in England instead. This means that Welsh providers are less able to provide high-quality opportunities and support for students. Other measures are likely to be more equitable for students and more effective at providing budgetary control.

4.8. Given the latest student data, we would also question how far additional measures are needed at this stage. The latest UCAS figures relating to the main deadline for full-time undergraduate applications in the 2017 application cycle in Wales for instance, point to a reduction in full-time undergraduate applications (down 8% on the 2016 cycle). The figures across the UK highlight a number of significant emerging challenges such as underlying population change - in particular the number of 18 year olds in Wales is projected to continue to decline significantly until 2020 - and the impact of Brexit. The

⁵ See [here](#).

⁶ Minister for Education and Skills, National Assembly for Wales Written Assembly Questions tabled on 8 January 2016 for answer on 15 January 2016, Written response 19 January 2016. (See [here](#)).

⁷ See for instance our response to the Welsh Government consultation on Foundation Degrees, [here](#).

latest HESA figures for Wales, relating to 2015/16, similarly showed that part-time undergraduate enrolments fell by 11% compared to the previous year, and postgraduate enrolments fell by 10%.

- 4.9. At the same time we recognise that there may be a need to look closely in particular about how the risks are managed in relation to student support for study outside of Wales and at alternative providers. Both of these situations currently fall outside the full regulatory framework of the HE (Wales) Act 2015, and we are still awaiting the outcome of consultation on regulatory arrangements for alternative providers at this stage. We are aware that a number of legislative changes are in progress that may provide further options. We note, for instance, that the HE & Research Bill could potentially give the Welsh Government greater flexibility to set limits on the amount of support awarded to students and the terms under which it is awarded. Bringing courses provided by Welsh institutions outside Wales under the full regulation of the current HE (Wales) Act 2015 proved to be problematic because of the boundaries of legislative competence, and current quality assurance arrangements rely on reciprocal agreements with England. However, the Wales Act 2017 will redraw the boundaries of legislative competence, and it is hoped that this may also provide further options for the Welsh Government in future.

Question 4 – Will implementing these proposals disadvantage any particular group?

Full-time students

- 4.10. No, we do not envisage that these proposals will disadvantage any particular group. In our view, the proposed full-time undergraduate student support package is likely to provide better and more progressive support than under the current system. We agree with NUS Wales that the recommendations of the Diamond Review marks a move towards a funding system that addresses the particular need to widen access for Wales' poorest students.
- 4.11. In particular, we welcome the replacement of the current tuition fee grant with additional loan. This allows the available resource to be better directed to students who most need it and allows student support to cover the full cost of study including maintenance which has been identified as the most critical issue for students at the moment. It also allows appropriate investment to be made in our universities to better serve students, communities and the economy. Overall this should reduce disadvantage.
- 4.12. We note that the Welsh Government is proposing upper eligibility threshold for maintenance grant is the 8th decile for household income rather than the 9th decile as a matter of prudence. Given that this increases the current threshold and there will be availability of maintenance loan in lieu, we would support this provided the resource identified for this in the costed Diamond proposals is clearly reallocated within the HE system. We note, however, that based on more up-to-date ONS figures, the sum of £59,000 may be a bit lower than the 8th decile for the relevant household population, and care will need to be taken to monitor this to ensure that the tapering of grant is not steeper than intended as a result.⁸

⁸ See for instance: ONS, The effects of taxes and benefits on household income, 2014/15:

TABLE 17: Average incomes, taxes and benefits by decile groups of NON-RETIRED households WITH CHILDREN, 2014/15 (here).

Part-time students

- 4.13. We strongly welcome that the proposals address the current imbalance of support for students on full-time and part-time modes of study and gives greater parity of support for part-time students.
- 4.14. By extending support for part-time students, the Welsh Government will be providing opportunities for students with highly varied circumstances, backgrounds, characteristics, and needs. A higher proportion of students studying part-time are older, and they are more likely to be employed and have family commitments and part-time students tend to be a more heterogeneous group than those studying full-time.⁹ Part-time study plays a particularly important role in upskilling and reskilling agendas and for continuing professional development, and has a central role in any skills strategy. Likewise, part-time opportunities can provide an important way into higher education for students from disadvantaged backgrounds, contributing significantly to the widening access agenda and to community development and economic regeneration in disadvantaged communities. Through engagement of workers employed in lower paid jobs, part-time higher education can both widen access to higher education and develop skills within the Welsh workforce.
- 4.15. Although we do not expect any ‘disadvantage’ for a particular group, the Welsh Government proposes to provide support for a more selective group of part-time students than envisaged in the Diamond Report and the advantages may not be evenly spread. See our comments on the 25% intensity threshold and the ELQ rules below.
- 4.16. The Welsh Government should also bear in mind the potential impact of the projected HEFCW budget could indirectly have on students and the challenges of managing transition period for providers. Despite the additional funding made available by the Welsh Government in the last budget round, for instance, there will be in-year cuts to the HEFCW allocations for 2016/17 and these are not likely to fall evenly on universities, which in turn is likely to disadvantage particular groups of student. The Welsh Government recognises this issue, and we appreciate the efforts that continue to be made to manage the challenges of the transition period before the Diamond recommendations can be implemented fully in this respect.

Question 5 – The Welsh Government would like to increase the number of courses provided at lower intensities. How can we encourage study on courses with an intensity of less than 25% without providing student support?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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- 4.17. We support the Welsh Government’s intention to increase the number of courses provided at lower intensities. Given that the costings in the Diamond recommendations covered all levels of intensity, we assume that the Welsh Government’s primary concern about

⁹ See e.g. Oxford Economics, Macroeconomic influences on demand for part-time higher education in the UK, 2014.

providing support for lower levels of study intensity is to ensure that there are pragmatic and effective controls in place for management of the support budget. We appreciate that in particular we would need to be confident that the SLC could manage arrangements for supporting lower intensity study, and that a sensible threshold for eligibility needs to be identified with that in mind.

- 4.18. We would be grateful if the Welsh Government could clarify its proposed threshold, and in particular whether it proposes to make the support package available for part-time students studying at an intensity of 25%. The current consultation question asks for views on supporting study with an intensity of less than 25%, and this appears to be consistent with the separate Consultation response which only indicates that students will not be eligible for support if the intensity of study is below this threshold (p.7, WG Response). However, on page 7 of the consultation document the Welsh Government state that 'tuition fee loan, maintenance support, and the institutional grant to the HEI will be made available in respect of part-time students who study at an intensity of greater than 25%'. This could make a significant difference.
- 4.19. The Welsh Government may wish to consider whether a slightly lower threshold would in fact be more manageable and more effective in extending support. At the moment many degree and part-time courses are structured with 20 credit modules (where 120 credits = 1 year full-time equivalent). A significant number of students can start with low intensity study, and progress to more substantial programmes. There is a danger that a sharp cut off in student support for study below 25% intensity (i.e. below 30 credits) could in particular deter students from disadvantaged backgrounds seeking an entry point into higher education via a single module and progressing to longer programmes of study. We would also wish to avoid providers feeling the need to restructure existing programmes (e.g. into 30 credit modules) to ensure that individual modules are accessible with full support.
- 4.20. We would in any case welcome the threshold being kept under review as implementation progresses in the light of experience. As commented above, it is important that student support and funding policy for part-time students is not unduly influenced by short-term administrative/SLC capacity issues.
- 4.21. Additional grant funding subsidy is the most obvious alternative to student support for encouraging study on courses with an intensity of less than 25%. We are not clear how much funding would be available in lieu of student support at this stage in addition to the HE funding already identified. However, to be a cost-neutral alternative the scheme would be likely to reach a much smaller pool of students or offer a much smaller level of support.
- 4.22. The details of a scheme could be left to HEFCW to determine in consultation with the sector once the level of funding available for this is clearer. This could clearly range from blanket module premium of some sort (e.g. to reflect the additional costs of catering for study by the part-time mode) to more tailored schemes which target particular policy objectives such as widening access more specifically. The grant could be used to provide more targeted student support, e.g. hardship funding, or fee waivers, which could extend to those below the threshold.

Question 6 – What impacts and unintended consequences will result from the move to monthly maintenance payments?

4.23. We are unclear of the net impact at this stage, although a number of potential advantages and disadvantages are identified in the responses of individual institutions to this consultation. We support the Welsh Government's decision to prioritise other SLC arrangements over the implementation of a monthly-system at this stage, allowing further time to identify and address any potential cash-flow issues.

5. Regulation of the part-time system (Questions 7 to 9)

Question 7 – What impact will a move to a fully regulated system have on part time providers in Wales?

5.1. 'Full regulation' currently appears to be envisaged by the Welsh Government in terms of bringing part-time provision within the scope of the HE (Wales) Act 2015. At the moment, part-time courses are currently not 'qualifying courses' for purposes of the Act – but part-time undergraduate courses can be brought within its scope through regulations.

5.2. Bringing part-time provision within the HE (Wales) Act 2015 would not change the regulatory arrangements in relation to quality assurance or the financial management arrangements of part-time provision at universities. Currently, all universities in Wales are 'regulated institutions'. All courses including part-time courses provided in Wales by a regulated institution are subject to the quality requirements of the HE (Wales) Act 2015, and the institutions are subject to the Financial Management Code requirements. It could, however, enable part-time only providers to become regulated institutions, which has not been the case hitherto.

5.3. The main impact of bringing part-time courses within the HE (Wales) Act 2015 for universities would be that the part-time courses would be subject to maximum fee levels, as prescribed through regulations, and to the approval of fee and access plan requirements. We note that the fee and access plan requirements are likely to involve additional costs for providers that will need to be taken into account. We also have some concerns about how introducing the fee limits would impact on the provision of part-time courses.

5.4. Up to this point part-time provision has not been subject to maximum fee levels. In general, part-time courses have lower fees than their full-time equivalents and the maximum levels pro-rata for part-time courses is unlikely to be problematic. However, part-time provision covers a wide range of different types of courses (including e.g. professional courses, short-courses tailored for business, or privately funded courses) and some courses rely on higher pro-rata fee levels.

5.5. We note that, as the legislation currently stands, there would have to be fee limits for part-time provision if it is brought within the HE (Wales) Act 2015. We would like to ensure that the introduction of any limits in relation to part-time fees should be the result of deliberate policy and not because it is a technical prerequisite of the legislation. If necessary, the Act should be amended to ensure that the Welsh Government retains its policy options, and is

not obliged to impose fee limits simply to ensure that other regulatory provisions extend to part-time provision.

- 5.6. Making part-time courses ‘qualifying courses’ for purposes of the 2015 Act will also not mean that all part-time provision in Wales is fully regulated. Some providers may choose not to become a ‘regulated institution’ and may opt instead for student support arrangements for their courses to be approved on a case by case basis. The Welsh Government is yet to publish details of arrangements for this including its regulatory controls. The Welsh Government has recently introduced regulations that clearly enable it to revoke or suspend the designation of higher education courses made on a case-by-case basis.¹⁰ The UK’s Higher Education and Research Bill may also provide the Welsh Government with a power to limit the maximum student support available. We would like to see confirmation that appropriate and proportionate controls can and are being put in place in respect of these providers as well.
- 5.7. Finally, we note that bringing part-time provision within the full regulation of the HE (Wales) Act 2015 is unlikely on its own to provide the Welsh Government or HEFCW with effective control the potential costs of the part-time student support package. There would remain a potential for growth in the number of Welsh students to study part-time outside Wales. This could also include significant potential for growth in study by distance learning which may fall outside the full regulatory controls. The 2015 Act, which only applies to Welsh institutions, does not for instance enable student number limits to be set or maximum student support costs to be prescribed. The Welsh Government would need to continue to rely on a range of other instruments, e.g. terms and conditions of grant funding, and its powers under the student support regulations. As discussed above (see our comments on regulation under question 3), the Welsh Government would in particular need to continue to rely on careful planning and monitoring to manage the risks in relation to the costs of the part-time student support package.

Question 8 – Do you think any particular groups would be disadvantaged by this policy?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Unsure	<input type="checkbox"/>
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- 5.8. As commented under question 7 above, there is danger that the introduction of fee limits in part-time study could cause problems for part-time provision, and could disadvantage particular groups. It must be stressed that the part-time undergraduate market has operated for some time without fee limits. We would also need to ensure that regulation is system-wide and not limited to regulated institutions only, particularly given the potential for growth in alternative providers in future years.

Question 9 – Do you think that the aim of achieving a fully regulated part time system by 2021 is a realistic timescale

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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¹⁰ The Education (Student Support) (Wales) (Amendment) Regulations 2016.

5.9. Yes.

6. Postgraduate taught Masters provision (Questions 10 to 13)

Question 10 – Are there implementation issues which we should consider when taking forward our proposals for post graduate support

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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6.1. We welcome with the Welsh Government proposals to provide support for postgraduate study. Postgraduate study plays an important part in bringing higher levels skills to the economy, increasing social mobility, and significantly increases an individual’s employment and prospects and life-time earnings compared to other levels of education.

6.2. As identified by the Welsh Government, the critical issue will be the capacity of the Student Loans Company to implement the arrangements for Wales.

Question 11 – Are there likely to be any unintended consequences from implementing these proposals?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Unsure	<input type="checkbox"/>
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6.3. We do not foresee any unintended consequences at this stage. The Welsh Government may, however, need to keep cross-border arrangements under review.

6.4. It is important that the student support arrangements facilitate and encourage reciprocal portability between nations. The lack of reciprocal portability could have a significant impact for postgraduate research at institutions in Wales. Universities in Wales raised their concerns about the potential consequences of this in their response to initial proposals for England in the UK Government’s consultation on postgraduate taught support in September 2015. The reoccurrence of the potential portability issue in the UK Government’s consultation on postgraduate research support in December 2016 (see the UUK response, which included comments from Universities Wales), however, highlights the need to keep this issue firmly in view.

Question 12 – Will implementing these proposals disadvantage any particular group?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Unsure	<input type="checkbox"/>
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6.5. The Welsh Government proposals are likely to provide a significant extension to support for postgraduate study, which increases opportunities for students. The level of support proposed is a contribution to as postgraduate fees are not capped and can vary considerably for different courses and subjects.

6.6. The Welsh Government indicates that student support could be used for either fees or living costs. We would welcome clarification about the eligibility of EU students in this respect (and discussion of potential arrangements post-Brexit). At postgraduate level, enrolments from the EU form an important and significant part of overall enrolments. We understand that, while the UK remains part of the European Union, EU students are in general entitled to support for fees, but not for living costs: it is not immediately clear how this policy would be applied to them.

Question 13 – We believe that it would be complex and costly to fully regulate the post graduate system – do you agree and if not how would you implement a fully regulated system in Wales?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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- 6.7. We agree that the ‘full regulation’ of the postgraduate system (in the sense discussed under questions 3 and 7 above) would be complex, and potentially costly.
- 6.8. Postgraduate provision cannot be brought within the ‘full regulation’ of the 2015 Act through regulations, as the legislation currently stands, and as a result it is not subject to fee limits and fee and access plan requirements. We should stress that all postgraduate provision offered by ‘regulated institutions’ would fall under the full quality assurance arrangements and the Financial Management Code, but there may be an issue to consider in relation to catering potentially in future for postgraduate-only providers (who cannot become regulated institutions) and institutions that choose not to be regulated.
- 6.9. In particular, we understand that the Welsh Government is concerned that the cost of extending the support is difficult to predict and could lead to an escalation in costs, given that there are currently no fee limits and some courses can have fees that are higher than the £9k maximum for undergraduates.
- 6.10. Some perspective is needed on this. Based on the information available to the Diamond Review Panel, it obviously appeared that the cost of providing more universal support for postgraduates was both affordable and sustainable. Postgraduate taught Masters students also form a small proportion of overall student numbers, and even large variances against forecast for post-graduate students are likely to have a limited impact on the overall student support budget. Recent HESA figures also highlight that the key challenge in the years ahead may be maintaining postgraduate numbers in Wales.
- 6.11. Given the uncertainty of the impact of the changes proposed, we support the Welsh Government’s cautious approach to implementation that ensures that appropriate control of costs is maintained. For the reasons outlined above (see our comments under questions 3 and 7), ‘full regulation’ is of limited assistance in terms of managing the budgetary risks, and the key risks may relate to study at alternative providers and outside Wales. Our preferred approach for regulated institutions is as for undergraduate provision: the emphasis needs to be on careful modelling, monitoring and research, piloting aspects of the scheme, and the phased introduction of the changes, as set out in the Welsh Government’s proposals.

Question 14 – Is there any other way of implementing our proposals for postgraduate students that would better promote equality of access?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Unsure	<input type="checkbox"/>
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6.12. See our comments under question 13.

7. Students with experience of being in a care setting (Questions 15 to 18)

7.1. Questions 15 – 18. We support the Welsh Governments proposals and refer to the responses of individual institutions relating to the detailed questions.

8. Cross border study (Questions 19 to 21)

Question 19 – How best can we implement and administer the proposed pilot scheme on extending the student support package beyond the UK?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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8.1. We understand the Welsh Government’s desire to ensure there are portable arrangements for students wherever they choose to study, but careful consideration needs to be given to the complexities of this.

8.2. At this stage, the priority must remain portability within the UK and EU.

8.3. A key issue with the current funding arrangements was that portability of student support within the UK came at the expense of funding for provision in Wales. It is imperative that the same issue does not occur in extending portability within the UK or beyond it. There are clearly even more issues involved for portability beyond the UK where such provision falls outside the UK’s direct control, there is likely to be more administrative complexity, and the level of support required by the student in practice may also be dependent on fluctuations in international exchange rates. We would also need to ensure that equivalent measures to provide student protection are in place including robust quality assurance and standards, and measures to ensure that providers are financially sound and well-managed.

8.4. Particular consideration will need to be given to post-Brexit EU countries.

8.5. We agree that it would be helpful to establish a working group to devise and consult on a potential scheme, as proposed by the Welsh Government.

Question 20 – Are there any particular issues that the pilot scheme should take into account?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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8.6. See comments under question 19.

Question 21 – How would you control costs and demand for any future scheme that extends support beyond any pilot scheme?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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8.7. This will need to be reviewed once details of the pilot scheme have been developed. We would envisage that any extension of the pilot scheme would be limited and incremental to allow evaluation and monitoring of the impact. There may be different options for controlling costs for post-Brexit EU countries in particular, which would need to be considered.

9. Equivalent or lower qualifications (Questions 22 to 23)

Question 22 – Are the subject areas listed above the ones that are of key importance in the context of equivalent or lower qualifications (ELQ)?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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9.1. Yes. As noted in the consultation document, up to this point part-time students who hold a UK Honours degree, or equivalent, have generally not been eligible for student support. There were a small number of exceptions to this that included certain postgraduate courses such as a Postgraduate Certificate of Education, (PGCE) and some more specific undergraduate courses for which an Honours degree is a requirement of entry, for example: graduate entry medical and dental courses.

9.2. The Welsh Government consulted on a limited extension to the ELQ rule for existing part-time support in May 2016.¹¹ On 23 September 2016 the Welsh Government confirmed that it would extend the exemptions from academic year 2017/18. From academic year 2017/18 the package of part-time support will be available for eligible students pursuing part-time Honours degree level courses in subjects allied to medicine, biological sciences, veterinary sciences, agriculture and related subjects, physical sciences, mathematical sciences and Welsh.¹²

9.3. Universities Wales agrees that the subjects listed are of key importance to support and indicated this in its response to the Welsh Government’s consultation in May 2016. This effectively brings the support into line with arrangements in England since 2015/16, and makes use of the additional student support budget (annual monitored expenditure) available to the Welsh Government for a similar scheme as a result.

Question 23 – Are there any other courses or subject areas that the Welsh Government should consider including? If so, why?

¹¹ See [here](#).

¹² See Student Finance Wales Information Notice (SFWIN 04/2016) [here](#).

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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- 9.4. Yes. We would like the Welsh Government to work towards lifting the ELQ restrictions universally as envisaged in the Diamond Report. However, we would support an incremental approach to this which allows the cost and feasibility of this to be tested.
- 9.5. The Diamond Report made the clear recommendation that the Tuition Fee loan, maintenance support, and the institutional grant to the HEI should be made available in respect of part-time students with no restriction on those who have previous equivalent level qualifications at HE level.
- 9.6. We understand that the Welsh Government accepts the Diamond recommendations relating to part-time student support in principle but is concerned about the stability and sustainability of the system that removes existing restrictions on previous equivalent or lower qualifications (p.7 Welsh Government response).
- 9.7. To provide some perspective on the issue, in 2014/15 there were 21,350 part-time undergraduate students enrolled at universities in Wales. Of these around 30% had a degree/PGCE or postgraduate qualification on entry, and a further 14% already had another undergraduate qualification.¹³
- 9.8. We acknowledge that there is significant uncertainty about the cost of future student support for part-time study if the restrictions are lifted which would need to be managed carefully if this is to be implemented as recommended in the Diamond Report. Given this, the incremental approach to implementation outlined by the Welsh Government appears to be sensible.
- 9.9. On the other hand, we remain concerned about the trends in part-time study enrolment in Wales (as in the rest of the UK). The latest data continues to show that part-time enrolments across the UK have continued to fall. We know from previous studies, that the removal of the restriction on ELQ could have a positive impact on this.¹⁴ There is a massive opportunity for providing retraining opportunities in line with economic requirements, the skills and labour markets and public service delivery - particularly given the projections for an older population in Wales and future workforce requirements.
- 9.10. We also assume that the estimated cost of the full-scale removal of exemptions was included in the overall costings of the recommended student support package, and on current estimates appeared to be sustainable.
- 9.11. In the interim, other areas for potential exemptions could include professional and vocational qualifications and strategically important subjects where provision is at risk due to low uptake (such as modern languages). However, we would like the Welsh Government to keep the feasibility of the Diamond recommendation that ALL subjects

¹³ HESA student data 2014/15 (HEIDI report – Universities Wales).

¹⁴ See e.g. Oxford Economics, Macroeconomic influences on demand for part-time higher education in the UK, 2014. This identified the phasing out of funding for students who already held an equivalent or lower qualification from 2008 as one of the factors contributing to the decline in numbers in England.

should be exempted in its sights, as we are able to test and monitor the impact of incremental changes.

10. Other comments

Question 24 – Do you have any comments on any other aspect of the proposals included in this document?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Unsure	<input type="checkbox"/>
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10.1. See general comments above. In addition please note the following comments:

Question 25 – We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.

10.2. At this stage no detailed information has been published the modelling and cost assumptions under-pinning the proposals.

10.3. At the moment, however, it appears that the modelling behind the Welsh Government’s proposals may be significantly more cautious than the estimates in the Diamond Report. For instance, the Welsh Government’s proposals would nominally cost significantly less to implement than the full recommendations of the Diamond Report in a number of areas, e.g. full-time undergraduate maintenance grant (funding to the 8th percentile rather than the 9th percentile of household income), part-time undergraduate support (only limited exemptions to the ELQ rule and exclusion of study at below 25% intensity), postgraduate support (a more limited contribution to costs of study), and student support portability (confined to UK only at the moment).

10.4. According to our calculations, the level of investment in funding for HE envisaged also seems to be significantly lower than the figures in the Diamond Report recommendations identified at this stage, which may also have an impact for students in terms of student support and opportunities. From the information we have and our own workings, we estimate that the overall funding for HE currently may eventually be in the region of £200m by 2024/25 when the new proposals are fully implemented, with a possible share of additional funding of up to £40m. This may only be enough to cover core areas of provision, however, and we need to be realistic about expectations for universities accordingly.

10.5. At this stage, we assume that this can be attributed to prudent financial planning by the Welsh Government. However, there is a need to clearly understand what this will actually mean for them in practice, and what sort of budgets we could expect subject to the normal budgetary approval processes.

10.6. We appreciate that the exact timing of implementation is dependent on cohort flows that determine the release of funding available for allocation and the cash requirements. The estimated costs associated with the baseline and recommended funding package outlined in the Diamond Report reflected the entire duration of study for the student, not a single

year.¹⁵ We also recognise that there are many variables and uncertainties that underlie the current modelling and the exact resources available are hard to predict with confidence in advance. Nevertheless, the end point should clearly resemble the overall package of funding and student support indicated in the Diamond Review Report, given due allowance for forecasting variance and differences in presentation of the figures.

10.7. In the interim the Welsh Government will also need to be mindful of the requirement to keep fee levels under review and that at present more student support is being required to fund increased fees in England.

10.8. Above all, a robust and transparent process for working together will be needed in taking the implementation of these proposals forward. Given that it will take many years to implement the Diamond recommendations fully, it is important to ensure that implementation remains on track and that all stakeholders can be confident that the good intentions which are evident in the Welsh Government's response are not eroded over time, and that the available resources can be seen to be used for the purposes intended.

10.9. With this in mind we look forward to working with the Welsh Government to implement this set of proposals.

10.10. We would be happy for these comments to be published.

Universities Wales
February 2017

¹⁵ p.35, Diamond Report.