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Llywodraeth Cymru
Welsh Government

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Dear Huw

Tertiary Education and Research (Wales) Bill

Thank you for your letter of 10 December following my attendance at Committee to give evidence on the Tertiary Education and Research (Wales) Bill ('the Bill').

Your letter raised a number of questions, to which I have responded in Annex A to this letter.

This letter has been copied to the Children, Young People and Education Committee.

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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.

- 1. Can you confirm what assessments have been undertaken in relation to the human rights impact of the Bill and what the outcome of these assessments has been? In particular, are you satisfied that the rights of entry and inspection provided for in sections 62 and 72 of the Bill are compliant with the Human Rights Act 1998?**
 - 1.1 The Welsh Government is satisfied that the provisions of the Bill are compatible with Convention rights

- 2. The Statement of Policy Intent for this Bill sets out a list of 20 regulation-making powers largely inherited from existing legislation, referred to as the inherited powers. Are each of the inherited powers subject to the same Senedd scrutiny procedure as they are in the existing legislation? Can you also confirm that where powers in the Bill previously existed in a different form, for example previously a regulation making power but now a power to make directions, the same or a higher procedure is applied? It would be helpful to have a comprehensive list setting out the position in relation to each of the powers?**
 - 2.1 A table is provided at Annex B which sets out the powers inherited from existing legislation, their previous form and procedure and their form and procedure in the Bill.

- 3. Why isn't the Welsh Ministers' power to issue directions under paragraph 1 of Schedule 15 dealt with in the Statement of Policy Intent?**
 - 3.1 This oversight has been addressed and the additional text to be added to the Statement of Policy Intent is included with this letter at Annex C. The revised Statement of Policy Intent has also been shared with the Children, Young People and Education Committee.

- 4. Section 11 of the Bill requires the Welsh Ministers to publish a statement of strategic priorities in relation to tertiary education and research and innovation. Can you clarify why there is no duty on the face of the Bill on the Welsh Ministers to consult any other party when preparing the statement?**
 - 4.1 The statement of priorities, in conjunction with the Commission's strategic duties, will outline the core matters the Commission must consider and take into account when exercising its functions. The statement will, in effect, be a "term of government remit letter" and is designed with a longer term planning approach in mind. In practice, it is expected to contain a small number of strategic priorities and high-level success indicators.
 - 4.2 Whilst there is no statutory requirement to consult on what will be included in the statement, I recognise it would be counter-productive to move away from current practice whereby arms-length bodies in general, and HEFCW in particular, are involved in dialogue with their partnership teams within government when matters are considered for inclusion in their remit.

4.3 When the Commission is fully operational, it is expected that it will provide evidence about the strengths and weaknesses of the PCET&R system to Welsh Ministers that will assist in making their statement of priorities most meaningful.

4.4 Once the statement is published, the Commission has a 6 month period for the preparation of its strategic plan, which will be subject to consultation before being considered by Welsh Ministers.

5. Section 13(4) of the Bill requires the Commission to publish its approved strategic plan but provides no timescale for doing so. Why is this?

5.1 If necessary Welsh Ministers could issue guidance (under s18) concerning the expectations regarding the strategic plan which aren't included on the face of the Bill. Alternatively, these expectations could be captured in the Commission's framework documents to ensure there is total clarity concerning matters such as these.

5.2 By way of background, HEFCW's framework documents only specify a timeframe regarding submission of the business plan they draw up in response to the remit letter. Although they are required to make their other documents available to the public, no timescale is specified. This current approach has not been problematic, and given stakeholders' views that being over prescriptive on the Bill regarding operational processes is not beneficial, I believe the approach we have adopted is appropriate. This will allow flexible and appropriate mechanisms to be developed.

6. Section 22 of the Bill introduces Schedule 2, which provides the Welsh Ministers with the power to make schemes to transfer staff, property, rights and liabilities from HEFCW and the Welsh Ministers to the Commission. There is no provision for the Senedd to scrutinise this scheme. Can you explain why this is the case?

6.1 Paragraph 1 of Schedule 2 to the Bill enables the Welsh Ministers to make transfer schemes which provide for the transfer of staff from HEFCW and the Welsh Government to the Commission and for the transfer of property, rights and liabilities of HEFCW and the Welsh Ministers to the Commission.

6.2 Procedurally, the schemes do not need to be made by way of order, paragraph 3 of Schedule 2 provides for the Welsh Ministers to lay a copy of a transfer scheme made under Schedule 2 before the Senedd. The transfer of staff and property from WG to the Commission is, in my view, an administrative issue for the Welsh Government, and, although the scheme(s) would also provide for the transfer of staff and property from HEFCW to the Commission, there has to be legal certainty regarding the transfers, hence the obligation on the Welsh Ministers being limited to laying Schedule 2 transfer Schemes before the Senedd.

6.3 Similar provisions in respect of transfer schemes are contained in the Qualifications (Wales) Act 2015 (see section 2 and Schedule 2). Under the 2015 Act, the Welsh Ministers are able to make schemes providing for the transfer of Welsh Government staff and Welsh Minister's property, rights and liabilities to QW. In terms of procedure, the WMs are only obliged to lay a copy of such a transfer scheme before the Senedd (the schemes do not need to be set out in an SI).

6.4 As for Parliamentary Acts, section 115 and Schedule 10 to the Higher Education and Research Act 2017 are also similar to the Bill. Under Schedule 10 of the 2017 Act, the Secretary of State can make property or staff transfer schemes in connection with the establishment of the Office for Students or UK Research Institute and (amongst other things) HEFCW ceasing to exist. There are no procedural requirements relating to these Schemes (they do not need to be made by / contained within an SI) and there is no duty imposed on the Secretary of State to lay the schemes before Parliament. The Energy Act 2016 took a similar approach with transfer of staff from the civil service to the Oil and Gas Authority (OGA) where the Secretary of State scheme did not need to be made by / contained within an SI and was not subject to any Parliamentary procedure.

7. **Section 23 provides for various regulation-making powers in relation to the registration of providers by the Commission. The Statement of Policy Intent explains that:**

“the funding structure (and hence appropriate regulation) of tertiary education (particularly higher education) across the UK has changed frequently in recent years, with changes in other UK administrations often having an effect on funding policy in Wales. These changes have occurred at a rate faster than is appropriate or practicable for the Welsh Government to respond with primary legislation regarding the details of regulation in each and every instance. The Bill enables details of the regulatory framework to be changed in response to any future changes in the structure or funding of the tertiary sector in Wales.”

Can you provide further information on this and confirm whether discussions are taking place with the other UK administrations to ensure that the law is able to keep pace with the changes?

- 7.1 A major change to the Welsh Government’s tuition fee and student support regime took place in the 2012/13 academic year following the Browne Review of Student Finance in England. The changes made at that time had significant consequences for the funding and regulatory oversight of higher education in Wales and resulted in the need for new primary legislation in the form of the Higher Education (Wales) Act 2015. The 2015 Act provide the statutory framework to ensure that HEFCW could continue to regulate Welsh higher education providers whose relevant HE courses are subject to fee limits in light of the shift in funding from institutional grants towards an increased reliance on tuition fee income.
- 7.2 The Bill seeks to establish a future-proofed regulatory framework, to enable the Commission to maintain regulatory oversight of tertiary education providers, which can be adapted in response to future changes to funding or student support arrangements.
- 7.3 The Bill creates a regulatory system fit for the future. It allows for secondary legislation to set out different categories of registration and to link these categories to distinct regulatory requirements and access to funding. This will enable the regulatory system to evolve in response to any future changes in the size, shape and funding of tertiary education in Wales, which may in turn be influenced by changes in such funding elsewhere in the UK.

- 7.4 The UK Government has recently proposed the introduction of a “Lifelong Loan Entitlement” which could radically change the financing of further and higher education provision in future years. Much of the detail of the UK Government’s proposals is not currently known but, if implemented, may have implications for future Welsh Government policy in this area. I have recently met with the Minister of State for Higher and Further Education and understand that the UK Government intends to consult on the Lifelong Loan Entitlement.
- 7.5 My officials are continuing to engage with their counterparts in the UK Government’s Department for Education on a range of matters arising from the Skills and Post-16 Education Bill, including the development of the proposed Lifelong Loan Entitlement.
- 7.6 We will work closely with stakeholders in the further education and training sectors to move towards a regulatory settlement which is fit for the long-term and brings greater parity between the FE and HE sectors.
- 8. There are several sections in the Bill where “examples” are given for matters that regulations may cover, for example, sections 25(4) and section 59(2). Does the Minister consider that this may lead some readers to think that the regulations in question can only cover the matters listed?**
- 8.1 Section 25(4) sets out examples of what regulations that are made under section 25(3) may do. This includes conferring functions on the Commission in connection with the operation of further initial conditions provided for in the regulations, and examples of what further initial conditions of registration may relate to.
- 8.2 In accordance with the current practice for drafting laws for Wales¹, it is made clear that the list is not exhaustive by the use of the words “may (among other things)”. This is a recommended approach to clearly conveying in primary legislation the relationship between the regulation-making power and the non-exhaustive list of examples of what it may be used for. The specific wording used makes clear that section 25(4) doesn’t qualify or limit the scope of section 25(3).
- 8.3 The second example cited in the question, section 59(2), operates in a similar way; the words “may include” serve to clarify that the examples listed in the section do not limit the scope of the regulation-making power in section 59(1). Again, the wording is used in accordance with the drafting recommendations and practice set out in “Writing Laws for Wales: a Guide to Legislative Drafting”.
- 9. Section 30(2)(b) provides for the Welsh Ministers to make regulations to specify what constitutes a “fee limit category”. This power is subject to the affirmative procedure, but the three other regulation-making powers in section 30 which also deal with fee limits are subject to the negative procedure. Can you explain why all of the powers in this section are not subject to the affirmative procedure when they deal with the same subject matter?**
- 9.1 The regulation making power under section 30(2)(b) enables the Welsh Ministers to specify categories of registration in relation to which the Commission must impose an ongoing registration condition concerning fee limits.

¹ paragraphs 5.6(8) and (9) of “Writing Laws for Wales: a Guide to Legislative Drafting” published in 2019

9.2 Our intention is for this registration condition to apply in respect of the proposed “core” higher education registration category. It is not envisaged that these arrangements would be subject to frequent change. However, if in future arrangements for funding and student support were to change (see answer to question 7), the Bill enables the Welsh Ministers to prescribe other categories of registration to which a fee limit condition must apply. As compliance with fee limits is a significant matter for tertiary education providers and an important feature of the legislative scheme it is appropriate that the affirmative procedure is applied to this regulation making power, and this is consistent with use of the affirmative procedure for other powers regarding registration categories and conditions.

9.3 In contrast the other regulation making powers under section 30 enable the Welsh Ministers to specify qualifying courses and persons for the purpose of regulating fee limits (sections 30(4) and 30(8)(b)) as well as to set out when fees payable to a provider in respect of a course it provides on behalf of a registered provider are to be treated as payable to the registered provider for the purpose of fee limits (section 30(10)). These matters may need to change over time to ensure synergy between the courses and persons to whom the fee limit applies and the Welsh Government’s student support regulations. The Welsh Government would consult on proposed changes ahead of making regulations under these powers. It is my view that that the negative procedure is appropriate for these regulation making powers, and this is also consistent with the equivalent powers held under section 5 of the Higher Education (Wales) Act 2015.

10. With regard to the intervention powers of the Welsh Ministers under the Bill, section 68 gives the Welsh Ministers the power to give a direction directly to a provider’s governing body. The Statement of Policy Intent confirms that this is intended to be used when the Commission has exhausted its intervention functions or when the matter is so serious that urgent action is required. Why are these conditions not reflected on the face of the Bill?

10.1 Whilst it is intended that these intervention powers will be used in only the most serious cases and will operate alongside the intervention powers available to the Commission under the Bill, express conditions relating to these matters have not been included on the face of the Bill for the following reasons:

- the way in which the Welsh Ministers intervention functions will operate alongside the Commission’s powers of intervention, and decisions around the urgency of intervention are operational matters that would need to reflect the specific circumstances of each individual case. It would be more appropriate to include operational detail such as this within the Welsh Ministers published statement on how these intervention powers will be exercised (section 70 of the Bill). This would be a continuation of current practice;
- section 67 of the Bill already sets out the specific grounds that must be satisfied in order for the Welsh Ministers to intervene under these powers. These broadly restate the existing grounds for intervention that are prescribed under section 57 of the Further and Higher Education Act 1992;
- the nature of the grounds for intervention set out under section 67 of the Bill may give rise to circumstances where the issue requiring intervention is not related to the Commission’s registration or funding functions, for example breaches of statutory duties by a further education institution. In such cases, the

Commission's intervention functions may not be appropriate or able to address the identified issue;

- it is likely that many further education institutions will not be registered providers in the first instance, therefore the Commission's regulatory relationship with these providers will be through terms and conditions of funding; and.
- it would be difficult to define what constitutes circumstances where more urgent action is needed.

10.2 In light of the above, there could be potential risks arising from the inclusion of conditions on the face of the Bill that relate to the Commission's intervention functions or the requirement of urgency of use for these powers. Should such conditions be included, the Welsh Ministers would have to demonstrate that all of the Commission's intervention powers had been exhausted (or would not resolve the issue in question) or that there was sufficient urgency before they are able to intervene under these powers. This could have the unintended effect of preventing the Welsh Ministers from taking action under these powers or delay such action in circumstances where it may be necessary to protect further education provision in Wales.

10.3 It is also important to note that the Bill makes provision for the Commission to play a role in the exercise of these intervention functions which reflect its regulatory role in respect of further education institutions in Wales. The Bill also requires the Welsh Ministers to have regard to the Commission's view in deciding whether to intervene using these powers. Advice from the Commission will help the Welsh Ministers take all relevant factors into account when deciding whether or not to intervene in the specific circumstances of each case. It is anticipated that this advice will include the Commission's view on the most appropriate form of intervention to address the issue identified.

11. In relation to section 77(4) of the Bill, the Statement of Policy Intent indicates that any regulations made under this provision would be "broadly similar" to the current arrangements in the Higher Education (Fee and Access Plans) (Notices and Directions) (Wales) Regulations 2015. Can you confirm what is meant by the phrase "broadly similar"?

11.1 The regulation making power under sections 77(3) and 77(4) of the Bill concerns procedural arrangements to apply in respect of any reviews of the Commission's decisions in relation to the register and its regulatory oversight of registered tertiary education providers. This is similar to a power under sections 44(3) and 44(4) of the Higher Education (Wales) Act 2015. The Higher Education (Fee and Access Plans) (Notices and Directions) (Wales) Regulations 2015 make provision, amongst other matters, in respect of procedural arrangements for the issue and review of notices and directions under Part 6 of the 2015 Act, including section 44.

11.2 We have not as yet identified any reason for amending the policy on decision reviews as set out in regulations 7 to 10 of the 2015 regulations. These set out the grounds for review of notices and directions, the procedure to apply for reviews, the procedure for the conduct of reviews, and post-review procedure. However, this will be reviewed in full upon drafting of the regulations and with consideration given to any feedback provided by stakeholders on appropriate provisions for review procedure.

11.3 In line with standard Welsh Government practice we the regulations to be made under section 77 would be issued for formal consultation.

12. Section 86(6) of the Bill contains regulation-making powers which the Statement of Policy Intent says are not currently intended to be used. Why are they included in this Bill? Would they not be better addressed in the future if and when the need arises?

12.1 Section 86(1) is designed to allow specified courses of higher education to be funded by the Commission outside of courses provided by registered providers in a category specified for the purposes of section 85. The power in section 86 is intended to ensure that gaps in higher education provision could be addressed should it not be possible or practicable for such courses to be provided by a registered provider in the “core” category.

12.2 The Commission’s main higher education function power (section 85) is intended to apply to higher education providers registered in the proposed “core” category and regulations would provide for that. However, there could be providers in Wales, who for example, elect to register in the “alternative” category or are not registered at all who would not be eligible for higher education funding by the Commission under its main higher education funding power, but may be able to provide ‘specialist’ courses identified by the Welsh Ministers as being needed for Wales. There may also, in very rare instances, be courses at providers outside of Wales which the Welsh Ministers or Commission identify as requiring funding so as to provide benefits to Wales and people ordinarily resident in Wales.

12.3 Whilst no such instances have been identified as yet, we believe it would be prudent to retain this power in order to provide sufficient flexibility to the Commission in the future and ensure that funded higher education can meet the needs of Wales.

13. In relation to section 91, the Statement of Policy Intent says that “The use of secondary legislation to determine the scope of relevant education and eligibility for the purpose of the funding duty is intended to enable a progressive expansion of the funded adult further education and training offer over time to address evolving patterns of need.”

Similarly, the Statement of Policy Intent uses wording such as “not current government policy” and “should the need arise” in the context of regulation making powers under sections 95 and 101.

Can you expand on this and explain why you consider it to be appropriate to put these powers in place now, rather than when the need actually arises?

13.1 Section 91(3) requires the Welsh Ministers to specify relevant further education and training for the purposes of the Commission’s duty to secure proper facilities for persons aged 19 and over.

13.2 We presently intend to introduce regulations under this section upon, or shortly following, commencement of these provisions, in line with this duty. It is my intention that these regulations will set out the first iteration of requirements for the provision of further education and training made available for adults.

13.3 Full details of the policy that will underpin these regulations is being developed following publication in December of a report for the Welsh Government by the Wales

Centre for Publication Policy entitled 'Supporting the Welsh Lifelong Learning System', which set out recommendations in this area. This report demonstrates the vital importance of expanding opportunities for lifelong learning in Wales, which we hope to achieve through this legislation.

13.4 Regulations under sections 95 and 101 concern the powers to require providers to be registered to access further education and apprenticeships funding. As noted in my response to question 7, these powers are intended to ensure the regulatory system can evolve in response to future changes in the size, shape and funding of tertiary education in Wales.

14. Part 3 of the Bill deals with the funding of tertiary education and research. Virtually all of the powers in this Part for the Welsh Ministers to make regulations are subject to the affirmative procedure. However, section 106 of the Bill enables the Welsh Ministers to issue directions to the Commission in the event that funds are being mismanaged by a provider and these directions are subject to no procedure other than being laid before the Senedd. These are broadly modelled on the existing section 57 of the Further and Higher Education Act 1992 relating to HEFCW, where such directions can only be given by order of the Welsh Ministers which is subject to the negative procedure. Can you confirm why such directions are not subject to a scrutiny procedure before the Senedd?

14.1 The financial support direction power in section 106 of the Bill is similar to existing order-making powers in section 57 of the Further and Higher Education Act 1992. Section 89 of the 1992 Act provides that orders made under section 57 do not need to be made by statutory instrument, and consequently are not subject to any Senedd procedure. The provisions as reflected in section 106 of the Bill have been considered anew with consideration given to how these powers may need to be used.

14.2 One of the key benefits of a direction making power is to enable the Welsh Ministers to respond to a situation and impose requirements quickly in order to ensure public money is subject to appropriate controls. As such an approach has been developed for the Bill based on three steps:

- consulting the Commission before issuing a direction,
- being required to publish the direction when given and
- providing a report to the Senedd after issuing a direction.

14.3 Alongside this, the Welsh Ministers are required to keep the direction under review.

14.4 I consider this approach enables an appropriate response to matters which may require a timely response. The three step procedural requirements are intended to address possible concerns about scrutiny and transparency of the directions.

14.5 I attended the Children, Young People and Education Committee earlier this month where the arrangements in respect of issuing general directions to the Commission (section 19 of the Bill) was raised. At that meeting I confirmed I would consider whether there were alternative approaches which could allow for the flexibility whilst addressing the concerns of the Committee. During these considerations I will also reflect on the arrangements for the financial support directions.

- 15. The Statement of Policy Intent notes that a number of the powers in Part 4 “build upon, or re-enact, existing regulation making powers in the Apprenticeship, Skills, Children and Learning Act 2009”. Can you confirm that, where this is the case, the scrutiny procedure which was applicable under the 2009 Act remains applicable under the Bill?**
- 15.1 I can confirm that, where a power in Part 4 is derived from a regulation making power in the Apprenticeship, Skills, Children and Learning Act 2009, the scrutiny procedure in the Bill is at least equivalent to the procedure which was applicable under the 2009 Act.
- 16. Section 130(6) imposes a duty on the Welsh Ministers to publish guidance regarding factors they will take into account when deciding whether to approve a body or individual to receive application to acceptance information and to carry out and publish research in relation to such information. There is no requirement for this guidance to be laid before the Senedd. Can you explain why this is the case?**
- 16.1 This guidance is intended to cover procedural and technical matters to support the implementation of these provisions and as such I do not consider the application of a Senedd procedure or a requirement to lay the guidance before the Senedd to be necessary.
- 17. Section 135 preserves a wide-ranging power to dissolve higher education corporations with no justification for the retention of this power other than that it is a “desirable position”. Do you consider this to be sufficient justification and can you expand on the reasons for the retention of this power?**
- 17.1 The powers that are retained in the Bill in respect of the dissolution of HECs, are, apart from some technical modifications, the same powers that exist at present. These are, in essence, backstop powers and their use would be subject to the principles of public law.
- 17.2 I recognise the strength of stakeholder feeling in respect of these powers and as such am actively exploring an amendment to these provisions and have asked my officials to consider the feedback and comments made by stakeholders in respect of these provisions as part of developing that amendment. I would also welcome the views and recommendations of the Committee.
- 17.3 As we continue to consider this matter I am happy write to Committee with any further updates.

Tertiary Education and Research (Wales) Bill				Current Legislation			
Section	Power	Form	Procedure	Derived from	Power	Form	Procedure
19(1)	Direction	Published	Report to Senedd Cymru that a direction has been given and lay a copy of the direction before the Senedd. The direction must be kept under review	Section 81(2) of the Further and Higher Education Act 1992	Direction	SI	Negative
30(4)	Regulations	SI	Affirmative	Section 5(2)(b) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative
30(8)(b)	Regulations	SI	Negative	Section 5(5)(b) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative
30(10)	Regulations	SI	Negative	Section 5(9) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative
44(6)	Regulations	SI	Affirmative	Section 5(3) of the Higher Education (Wales) Act 2015	Regulations	SI	The first set of regulations to be made under section 5(3) are subject to the affirmative procedure and thereafter the negative procedure.

Tertiary Education and Research (Wales) Bill				Current Legislation			
Section	Power	Form	Procedure	Derived from	Power	Form	Procedure
52(8)	Regulations	SI	Negative	Section 17(4)(a) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative
55(1)(f)	Regulations	SI	Negative	Section 75(1)(e) of the Learning and Skills Act 2000	Regulations	SI	No procedure
55(4)	Regulations	SI	Negative	Section 77(2) and 77(4) of the Learning and Skills Act 2000	Regulations	SI	No procedure
59(1)	Regulations	SI	Negative	Section 76(3) of the Learning and Skills Act 2000	Regulations	SI	No procedure
61(9)	Regulations	SI	Negative	Section 83(7) and (9) of the Learning and Skills Act 2000	Regulations	SI	No procedure
77(3)	Regulations	SI	Negative	Section 44(3) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative
81(4)	Regulations	SI	Affirmative	Section 3(4) of the Higher Education (Wales) Act 2015	Regulations	SI	Affirmative
82 (see (d) in the definition of “fees”)	Regulations	SI	Negative	Section 57(1) of the Higher Education (Wales) Act 2015	Regulations	SI	Negative

Tertiary Education and Research (Wales) Bill				Current Legislation			
Section	Power	Form	Procedure	Derived from	Power	Form	Procedure
				(see (d) in the definition of "fees")			
106(1)	Direction	Published	Report to Senedd Cymru that a direction has been given and lay a copy of the direction before the Senedd. The direction must be kept under review.	Section 81(3) of the Further and Higher Education Act 1992	Direction	SI	Negative

General directions to the Commission

Section	Form	Provision	Procedure
Schedule 1 paragraph 15(1)(a)	Direction	The Commission must prepare a statement of accounts in respect of each financial year in accordance with directions given by the Welsh Ministers	No procedure

Description of powers

Paragraph 15(1)(a) of Schedule 1 to the Bill enables the Welsh Ministers to issue a direction to the Commission about the preparation of a statement of accounts. Each financial year the Commission must prepare accounts in accordance with the accounts direction issued by the Welsh Ministers.

By the end of August following the financial year to which the accounts relate, the Commission must submit to the Auditor General for Wales (AGW) the signed accounts together with a letter of representation. The Commission must forward two copies of the signed accounts to the Welsh Government.

Policy purpose and intent

The Welsh Ministers are currently able to give directions to HEFCW in relation to the preparation of their accounts and it is intended to issue equivalent directions to the Commission once established.

The substance of the direction is set out in paragraph 15(2)(b) of Schedule 1 and includes:

- the information to be contained in the statement;
- the manner in which the information is to be presented;
- the methods and principles according to which the statement is to be prepared; and
- any additional information that is to accompany the statement.