

Kirsty Williams, AM
Minister for Education
Welsh Government

21 May 2019

Dear Kirsty

Diamond Reform Implementation

As you will be aware, the Children, Young People and Education Committee has over recent years undertaken work to scrutinise the implementation of the review by Professor Sir Ian Diamond on Higher Education Funding and Student Finance Arrangements in Wales.

As part of its on-going scrutiny of the Diamond reforms, the Committee is undertaking a short piece of work to assess progress on implementation. To help inform our work, I would be grateful if you could provide information on the following issues.

1. Progress on implementation

Welsh Government had previously accepted the Diamond review recommendation that HEFCW collect and potentially publish the price of an annual "basket of goods". HEFCW subsequently consulted on this and stated it would provide an annual report to Welsh Government but not publish its findings. In relation to this recommendation, can you confirm:

- Do these reports show any evidence of an increase in other costs to students?
- What do the reports show more widely?
- What the basis is for the agreement with HEFCW not to publish this information?
- Will the decision not to publish this information be reviewed?

Welsh Government has stated that it would "work with stakeholders to map out in detail the statistical and research work required to evaluate the operation and impact of changes and reforms". Can you update the Committee on this work and any findings or evaluations that may already have begun or been concluded?

Welsh Government has explained that it would "work with the Student Loans Company to implement a system of monthly maintenance payments as soon as is practicable. However, we will need to discuss the implications". Can you update the Committee on the progress made on this and on the Welsh Government's assessment of the implications?



Welsh Government has stated that: "we will work with Universities Wales and HEFCW to consider how and when [a Welsh Postgraduate Research Scholarship Scheme] could be implemented and administered". Can you update the Committee on the progress made on this?

Can you provide an update on the work conducted regarding the timeliness of Student Loans Company support for Welsh Government student finance reforms and if assurances have now been gained from the Student Loans Company on future reform delivery?

2. Impact on student well-being

Has Welsh Government made any early assessment of the impact that focussing support on living costs has had on the well-being of the September 2018 cohort as it approaches the end of the academic year? If so, what were the findings?

3. Forecasts and assumptions made

Has the take-up of student financial support by the 2018/19 cohort been in-line with Welsh Government modelling, particularly with regard to the take-up and size of the maintenance grant awards?

The likely increase in part-time and post-graduate numbers is positive for the sector, and welcome. Can you confirm how this increase has impacted costs and the future revenue planning assumptions you shared with the Committee in your letter of 05 December 2018?

What assessment has Welsh Government made of the impact the change in the student loan repayment threshold from April 2018 has had on the affordability of the reforms?

The additional funding provided to HEFCW in 2018-19 for research and innovation funding does not appear to be recurrent funding and is intended to be spent across two academic years. Can you confirm:

- What is the source of this funding?
- What is the rationale for hypothecating it for research rather than allowing HEFCW to determine its allocation?

4. Living costs support and the National Living Wage

Sir Ian Diamond recommended that the maintenance grant / loan support available to a student should be equivalent to the National Living Wage. The total support available to students for 19/20 has been uprated in-line with the increase in the National Living Wage, which is welcome, but this has been done by increasing the loan amount only and not the maintenance grant which remains at £8,100. If this were a consistent future policy the value of the maintenance grant will of course be eroded. Can you confirm:



- What are the Welsh Government's future intentions and policy with regard to up-rating the maintenance grant?
- Why has Welsh Government chosen to only uprate the loan amount and not proportion the uprating across the loan and the maintenance grant for 19/20?
- Why has Welsh Government not also uprated the universal base grant for 19/20 which remains at £1,000?
- What assumptions do Welsh Government's financial forecasts include regarding uprating the maintenance grant?

5. Post-16 Education Action Allocation 2019-20 – budget follow-up

Can Welsh Government provide:

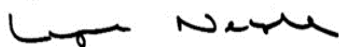
- The final 19-20 allocations within the Post-16 Education Action including FE, ACL, 6th Forms and other material allocations as stated in your letter to the Committee of 05 December 2018;
- an update on the outcome of the FE pay award negotiations, which I was pleased saw strike action avoided, and details of the settlement made including if the settlement is multi-annual and includes provision for pensions;
- details of any commitments Welsh Government have made in relation to future FE pay beyond 19/20 if any; and
- Information regarding how the deprivation, sparsity and welsh medium uplifts / allowance are calculated for 19/20.

6. FE institutions: funding allocations

Can you provide details on the final funding allocation to each FE institution for the 2019/20 academic year, including breakdown by each funding component (i.e. uplifts, maintenance, part-time, full-time etc)?

I look forward to receiving your response to the above. You may already be aware, but for your information, HEFCW will be attending Committee on 4 July to discuss Higher Education 19/20 academic year allocation.

Yours sincerely



Lynne Neagle AC / AM
Cadeirydd / Chair

