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The Secretariat
The All Wales Convention
c/o National Assembly for Wales
The Pierhead Building
Pierhead Street
Cardiff Bay
CARDIFF
CF99 1NA

19 January 2009


Dear Sir/Madam

All Wales Convention: Call for Evidence

I enclose UWIC's submission to the All Wales.

I should be grateful to receive a copy of the Convention's interim and final reports.

Yours faithfully



PROFESSOR ANTONY J CHAPMAN

UWIC EVIDENCE TO THE ALL WALES CONVENTION

Foreword

1. This submission is made from the perspective of the University of Wales Institute, Cardiff (UWIC). Comments are confined to the implications of further devolution insofar as this may impact on higher education policy and funding in Wales.
2. The origins UWIC can be traced back to 1865 when the Cardiff School of Art was opened. UWIC became a Higher Education Corporation in 1992, and adopted its current name in 1996. Although it has been granted taught degree awarding powers by the Privy Council, UWIC holds these in abeyance so that its degree programmes lead to University of Wales awards.
3. UWIC has 10,850 students, 23% of whom are postgraduates and 20% of whom are international students. UWIC's has five academic Schools with academic expertise spanning art and design, education and humanities, health sciences, business and management, and sport. The London School of Commerce is an Associate College of UWIC. In 2007/08, UWIC employed 1156 FTE staff, and had an income of £70.6 million.

In general, what level of understanding do you think there is in Wales of the current devolution settlement?

4. The Welsh Assembly Government (WAG) has devolved responsibility for higher education policy and the funding of universities in Wales, but the exact demarcation of responsibility for science policy in Wales is uncertain. On the one hand WAG funds research conducted in science departments in Welsh universities through HEFCW (via 'Quality Related' grant, the Research Infrastructure Fund and the Reconfiguration and Collaboration Fund). This investment, strictly speaking, comes under the heading of 'HE research', which is devolved and as such, WAG receives a Barnett formula 'consequential'. On the other hand 'science policy' in a stricter sense is a UK Government responsibility for which the Assembly Government receives no specific Barnett formula monies.
5. Despite this joint responsibility for science, the WAG issued its own strategic document - *A Science Policy for Wales* (2006) - that sets out certain key priority areas for science research in Wales. However, the policy lacks any additional funding for the science base in Wales from the UK or Assembly Governments. This situation has not altered in the three year budget allocations (2008/09 to 2010/11) announced in the Assembly Budget confirmed in January 2008. This lack of a strategic science fund to underpin the WAG's policy was agreed in spite of the clear recommendation of the National Assembly's Enterprise Committee in 2006 that significant additional investment in the science infrastructure in Wales was necessary. Assembly Ministers have stated that lack of a new science investment fund to support the new science policy is due to the fact that science policy is not strictly devolved. If the WAG does not have devolved responsibilities for science policy (in its wider sense), then it is necessary for Wales' interests to be represented in the development and implementation of the UK Government science policy, and for Wales to be considered as a location for the deployment of any investment monies.

What do you think has been the practical implications of devolution in Wales?

6. Government investment in teaching and research is channelled through the Department of Innovation, Universities and Skills (DIUS) in England and the devolved administrations in Wales and Scotland. The devolved administrations receive this funding as a result of the Barnett formula 'consequentials' related to the level of DIUS higher education spending in England, but are then free to decide how much investment to channel to higher education via their respective national higher education funding councils.
7. In recent years there has been an increasing divergence across the UK in the relative levels of higher education funding – with Scotland and England pursuing a policy of investing in higher education while the WAG has chosen to freeze the higher education unit of resource in real terms since 2001/02. The divergence has resulted in a growing investment gap between universities in Wales and those in Scotland and England. The gap totalled £70 million in 2005/06 (the latest year for which information is available), equating to 15% or £1000 shortfall in funding per student between Wales and England. An even larger investment gap exists between Wales and Scotland. Persistent under-investment from the WAG will significantly undermine the ability of Welsh universities to create a knowledge economy at a time when Wales' economic performance is lagging well behind the rest of the UK.

How well, in your view, does the current devolution settlement work?

8. Like many universities, UWIC sees its local, national and global missions as being complementary and mutually enriching. The knowledge-economy is an international phenomenon which cannot be successfully harnessed for the benefit of Wales unless the intellectual orientation and key operational mechanisms of Welsh higher education face outwards. The process of devolution may encourage Welsh Assembly Members to look ever more closely at the benefit and impact of higher education in and for Wales. However, Welsh universities form an important constituent part of the UK higher education system and, as such, will continue to play an important role in advancing social and economic agendas across the UK. Their ability to do so is influenced by the effectiveness of the WAG and the Higher Education Funding Council for Wales (HEFCW) in representing Wales' interests, and the application of an inclusive approach to the development of HE policy on the part of the UK Government.
9. There appears to have been a culture in some Whitehall departments that aspects of HE policy which are legally devolved but which have an essential UK dimension do not require consultation with the devolved administrations. For example, there has been a recent tendency by the UK Government to take unilateral decisions in relation to research assessment policy, which though devolved, can only be organised on a UK basis to be effective. In March 2006 the Treasury announced a radical change of policy in relation to research assessment policy (which had been conducted as part of the RAE process) in which peer review was to be removed from the assessment system altogether - against the advice of most independent policy specialists. This decision was reached without consultation with the WAG (or the Scottish Executive). Though neither Wales nor Scotland could be compelled to participate in such arrangements, the nature of UK research assessment left Wales and Scotland little option but to participate in a system the devolved administrations had little role in designing.
10. Since this announcement on a new research assessment system in 2006 the UK Government has gradually adjusted its policy on research assessment in the wake of

an 'evidence based' critique from many quarters. Indeed, DIUS announced recently there will be a peer review element to research assessment across all academic disciplines including the 'hard' sciences. This is a welcome development but as this illustration indicates, a policy making process that involves consultation with the devolved administrations on matters that have clear cross border ramifications can help to improve the policy making process.

How successful have the Welsh Assembly Government and the Assembly been in dealing with legislation for Wales? Please tell us about any experience or involvement you have had in the legislative process, and any Assembly measures or pieces of subordinate legislation which have had an effect on any aspect of your life or work.

11. The Assembly's powers in the higher education arena include student finance. While the WAG initially chose to avoid introducing flexible deferred fees (commonly known as 'top-up' fees) in Wales, the fact that they had been introduced in England meant that Wales had to follow suit sooner or later. The alternatives would have been to accept that Welsh universities would be (even more) under-funded relative to English universities, or to increase the allocation of public monies to Welsh universities in lieu of their being able to raise top-up fees. The Assembly voted to allow top-up fees, but also agreed that it would pay the top-up fee element (a 'tuition fee grant') for Welsh domiciled student who chose to study in Welsh universities. A recent review undertaken by Professor Merfyn Jones for the WAG concluded that the tuition fee grant is unsustainable. This point has been acknowledged by the Minister of Children, Education, Lifelong Learning and Skills. The WAG has yet to determine the final shape of a revised student finance system in Wales, but it is clear that the essential components of its operation will mirror those of the English system. The experience has demonstrated that actions taken in England can have a practical effect of negating the application of devolved powers in Wales.

What do you think are the advantages and disadvantages of sticking with the current arrangements for the Assembly to acquire legislative powers in devolved policy areas gradually through a process where Westminster agrees to transfer powers block by block, as opposed to allowing the Assembly to exercise legislative powers in the full range of devolved policy areas immediately? Which of these options do you prefer, and for what reasons?

12. The devolution process has raised questions about the precise scope of devolved responsibilities, and highlighted that actions taken at an English-level can negate the practical application of devolved powers. The operation of the current system is far from perfect, and clearly there needs to be far better liaison between the separate UK governments and officials about policy formulation. The benefit of sticking with the current arrangements where legislative powers are acquired through a graduate process is that this will give opportunity to work out the practical implications of devolution. The benefit of transferring powers by block gives the Assembly greater scope to make quicker changes to policy in Wales. Whether or not this will be of practical benefit would depend on the policy area in question. For example, the Assembly does not have powers to confer university title, full teaching awarding powers, or research degree awarded powers. If it was given these powers, it would be difficult for the Assembly to apply them in a way wholly different from their use in other parts of the UK – at least not unless it intended for Wales to leave the UK system of HE on which the international reputation of Welsh universities is predicated.

Do you feel that there are any bureaucratic or capacity issues, within the civil service, National Assembly Parliamentary Service, civil society or the legal community that would need to be addressed before powers to pass Acts could be transferred to the Assembly?

13. There is an evident lack of experience and knowledge of HE affairs (at all levels – Welsh, UK and international) amongst the staff of the Department of Children, Education and Lifelong Learning. There appears to have been a high and rapid turnover amongst senior and middle ranking officials, and little in the way of ‘corporate’ memory. A key role of DCELLS is to ensure that Welsh interests are represented in developments affecting UK HE policy, and evaluating the impact of decisions taken in England for England. There is a lack of evidence that this is occurring in a satisfactory manner.

What do you think the impact of moving to allow the Assembly to pass Acts, as provided for in Part 4 of the Government of Wales Act 2006, would be on the legal system and legal profession in Wales?

14. The construction of acts requires technical knowledge and skills, which is currently concentrated in London. Developing the capacity to draft acts *ab initio* in Wales would present a considerable but not insurmountable challenge, particularly in areas (such as HE) in which the current knowledge base is so low.

Do you believe the time is now right for the people of Wales to be given the opportunity to make a judgement, through a referendum, on whether or not to introduce powers for the Assembly to pass Acts, as set out in Part 4 of the Government of Wales Act 2006?

16. This is essentially a matter for individuals. UWIC contains many different views on the subject, which would be impossible to represent.