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The future of Tertiary Education in Wales Call for Submissions: Thematic Analysis Full Report

October 2026

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Link to the consultation documentation:
The future of tertiary education in Wales: five challenges and calls for submission | GOV.WALES

Contents

Contents 3
Executive Summary 5
1.1 Background 5
1.2 Approach to the analysis 5
1.3 Key findings 6
1.6 Financial sustainability 9
1.7 Demographic change and lifelong learning 10
1.8 Competition and collaboration 10
1.9 Areas of alignment, divergence and tension 11
2. Introduction 12
2.1 Background to the Call for Submissions 12
2.2 The written submissions 13
2.3 Purpose of this report 13
2.4 Scope of the report 14
2.5 General implications arising from the submissions 14
3. Methodology 15
4. Cross-cutting findings 16
4.1 Participation was commonly discussed in relation to progression, support and pathways 16
4.2 Submissions raised funding and cost pressures across multiple challenge areas 16
4.3 Submissions valued flexibility but questioned whether current arrangements support it 16
4.4 Collaboration was widely supported, but submissions identified structural barriers 16
4.5 Place-based local access 17
4.6 Digital change and AI as emerging themes 17
5.2 Participation was discussed in relation to progression, pathways and learner support. 18
5.3 Learner backgrounds and entry profiles 18
5.4 Pathways between school, FE, apprenticeships, HE and employment 19
5.5 Suitability of pathways 20
5.6 Access, equity and participation for learners up to 18 21
5.7 Participation patterns in FE, HE, part-time and mature learning 22
5.8 Future participation and targets 23

5.9 Welsh-medium and bilingual participation 23
5.10 Tensions 25
5.11 Areas of broad alignment and divergence in the submissions 25
5.12 Areas suggested for policy consideration 26
6. Challenge 2: Communities and the economy 27
6.2 Labour market alignment 27
6.3 Outcomes and data 29
6.4 Research, innovation and investment 30
6.5 Specialisation and regional clustering 31
6.6 AI and technological change 33
6.7 Tensions 34
6.8 Areas of broad alignment and divergence in the submissions. 35
6.9 Areas suggested in submissions for policy consideration 35
7. Challenge 3: Financial sustainability 36
7.2 Financial barriers and support for learners 36
7.3 Cost pressures and sustainability challenges 38
7.4 Efficiency, delivery models and cost savings. 40
7.5 Outcomes and benefits from investment in tertiary education 41
7.6 Capital investment and infrastructure 42
7.7 Tensions 44
7.8 Areas of broad alignment and divergence in the submissions 44
7.9 Areas suggested in submissions for policy consideration 45
8. Challenge 4: Demographic change and lifelong learning 46
8.2 Demographic change and system preparedness 46
8.3 Barriers to lifelong learning 47
8.4 Flexible learning 49
8.5 Adult skills needs 50
8.6 Adult learning policy and priorities 52
8.7 Tensions 53
8.8 Areas of broad alignment and divergence in the submissions 53
8.9 Submission-suggested areas for policy consideration 54
9. Challenge 5: Competition and collaboration 55
9.2 Collaboration barriers and enablers 55

9.3 Cross-sector collaboration 57
9.4 Market dynamics and competition 58
9.5 Protecting provision, subjects and transitions 59
9.6 HE market structure and risks 61
9.7 Tensions 63
9.8 Areas of broad alignment and divergence in the submissions 63
9.9 Submission-suggested areas for policy consideration 64
10. Annexes 65
Annex F: Quote bank 65

Executive Summary

1.1 Background

1.1. In January 2026, the Welsh Government published an evidence paper on the future of tertiary education in Wales. The paper focused on five challenge areas: participation; demographic change and lifelong learning; financial sustainability; competition and collaboration; and delivering for communities and the economy.

1.1.2 Written submissions were invited from organisations and stakeholders across the sector. This report presents a descriptive synthesis of 76 submissions to the Call for Submissions on the Future of the Tertiary Education System in Wales .

1.1.3 The report summarises the views expressed by the submissions. It does not represent the views of the sector as a whole, assess the merits of individual submissions or make policy recommendations. It identifies the main themes, areas of agreement and points of difference emerging from the submissions received.

1.2 Approach to the analysis

1.2.1 A deductive thematic analysis was undertaken using the structure of the Call for Submissions as the analytical framework. This means responses were grouped under the questions asked in the call, then reviewed to identify recurring themes, shared views and points of difference.

1.2.2 In addition to examining each challenge area separately, the analysis explored issues that cut across multiple themes to provide a broader understanding of the views organisations presented on the future development of the tertiary education system in Wales.

1.3 Key findings

1.3.1 Across all challenge areas, submissions described a tertiary education system facing substantial financial, demographic and workforce pressures, alongside growing expectations to support economic development, social inclusion and lifelong learning.

1.3.2 Funding was one of the most frequently raised concerns. Submissions highlighted rising costs for learners and providers, concerns about the adequacy and stability of funding arrangements, and the impact of financial pressures on access, quality, learner support and the sustainability of provision.

1.3.3 There was broad agreement on the need for clearer learner pathways, stronger progression opportunities and more flexible forms of learning, supporting learners throughout their educational journey and into later life.

Submissions also described a trade-off between flexibility and coherence. Non-linear, modular and work-based routes were valued for widening access, but the National Union of Students (NUS) Wales (SO01) described the system as ‘complex and difficult to navigate, with unclear pathways between different types and levels of provision’; VTCT Skills (WBL02) reported that many learners arrive in college ‘without a clear understanding of vocational pathways’; and the National Training Federation for Wales (NTFW) (WBL03) stated that ‘the current system is not designed for flexible, modular, or all-age learning’.

1.3.4 Collaboration was widely viewed as essential to achieving clearer learner pathways, stronger progression opportunities and more flexible forms of learning. Many submissions supported stronger coordination across providers, employers and communities to improve learner experiences, make better use of resources and respond more effectively to regional and national priorities. However, respondents also highlighted tensions between collaborative working and competitive funding and accountability arrangements.

1.3.5 Submissions also emphasised equity and access. Financial barriers, transport, wellbeing, additional learning needs and uneven geographical access to provision were identified as factors affecting participation and progression, alongside the importance of Welsh-medium provision and local access. Submissions described a trade-off between protecting local access and concentrating provision for viability or specialisation. NPTC Group of Colleges (FE06) stated that ‘rural learners need community-based provision, not distant campus-only options’, and the Quality Assurance Agency for Higher Education (QAA) (RPB08) warned that concentration in particular institutions or locations ‘may create barriers for learners, particularly those who are less geographically mobile or who rely on local provision’. Natspec (TS01) reported learners unable to begin agreed study programmes because of a lack of transport, and Undeb Cenedlaethol Athrawon Cymru (UCAC) (RB08) noted that transport challenges ‘can have a big impact on young people’s choices.

1.3.6 Looking ahead, submissions identified opportunities to strengthen the system through greater flexibility, improved collaboration, stronger links with employers and communities, and more coordinated long-term planning. However, many stressed that achieving these ambitions would require sustained investment, clearer strategic direction and funding arrangements that support both learners and providers, and that these ambitions draw on the same constrained resources. Universities Wales (RB09) stated that 'beyond a certain point further savings require reductions in headcount or fundamental restructuring of provision. At that stage, efficiency moves into contraction', and that 'the scope for further non-disruptive cost savings is therefore highly limited'. Tensions were raised between learner support and institutional sustainability, between efficiency and quality, and between ambitions for greater participation and Welsh-medium growth and the resources available to support them, with Coleg Cymraeg Cenedlaethol (FE04) noting that the potential pool of learners able to study through the medium of Welsh or bilingually 'is getting smaller'.

1.3.7 Many submissions both from industry and education providers highlighted the need for tertiary education, skills and training provision to be aligned with Wales's wider economic strategy and labour market need. NPTC Group of Colleges (FE06) stated that 'public investment must prioritise' technical and vocational programmes aligned to Wales's economic strategy, health and social care, engineering and green technologies, digital upskilling, adult foundational skills and Welsh-medium provision. Respondents frequently referred to regional economies and to clustering, pointing to the relevance of skills provision at regional and local level as well as nationally.

1.3.8 Across both the participation and communities and economy challenge areas, submissions regularly called for stronger evidence on learner pathways, destinations and outcomes. These calls included better longitudinal tracking, broader measures of value beyond earnings alone, and more disaggregated analysis for different learner groups. The Construction Industry Training Board (CITB) Cymru (EI01) reported 'an incomplete picture of learner destinations, limiting the ability to assess system effectiveness'; Gower College Swansea (FE01) called for 'whole-system learner tracking' across schools, further education (FE), higher education (HE) and work-based learning; the University of South Wales (HE02) called for tracking 'where graduates work and in which sectors'; the Equality and Human Rights Commission (RPB03) identified significant data gaps and called for improved linkage and use of the Pupil Level Annual School Census (PLASC), the Lifelong Learning Wales Record (LLWR) and Higher Education Statistics Agency (HESA) data; and Natspec (TS01) stated that Welsh Government 'must collect better destinations data'.

1.4 Participation

1.4.1 Submissions described participation as access, retention, progression and outcomes, not entry alone.

1.4.2 Key barriers included financial pressures, transport costs, wellbeing challenges and additional learning needs. Submissions also described differences in access between locations and between learner groups, including learners with additional learning needs, learners eligible for free school meals, learners with protected characteristics, children looked after and young carers, where submissions identified gaps in both data and support (RPB03, FE05, TU02).

1.4.3 Submissions described the importance of clear progression pathways, sustained learner support and stronger Welsh-medium opportunities throughout the learner journey.

1.4.4 Many also called for targeted support for underrepresented groups and for barriers that arise at different stages of participation to be addressed. Submissions differed in emphasis on what participation policy should prioritise. VTCT Skills (WBL02) cautioned that ‘pushing for significantly higher full-time 18-year-old participation could unintentionally undermine widening-access progress, reduce flexibility, and weaken local, vocational HE routes’, while the Vale of Glamorgan Council (LA02) suggested increasing ‘Level 3 attainment first, particularly for those eligible for free school meals. Views also diverged on participation targets: the Engineering Professors’ Council (RB07) called for targets aligned with projected skills demand, whereas NTFW (WBL03) stated that ‘age-based participation targets alone cannot meaningfully increase uptake’, the Royal College of Nursing (RCN) Wales (RB12) stated that ‘for any participation targets to be met, structural barriers affecting access to education must firstly be addressed’, and Estyn (RPB02) stated that reform ‘must prioritise quality, progression and sustainability over participation targets alone’.

1.5 Communities and the economy

1.5.1 Submissions emphasised the contribution of tertiary education to economic growth, workforce development, public services, community wellbeing and regional prosperity.

1.5.2 There was strong support for aligning provision more closely with the labour market whilst maintaining a broad focus on social, cultural and wellbeing outcomes. Submissions therefore described a trade-off between narrower labour-market measures and wider public and community benefits, particularly where outcomes are assessed mainly through earnings. NPTC Group of Colleges (FE06) stated that ‘public investment must prioritise’ technical and vocational programmes aligned to Wales’s economic strategy, health and social care, engineering and green technologies, digital upskilling and adult foundational skills. The University of South Wales (HE02) called for ‘incentives that reward social impact, such as addressing regional skills deficits, rather than relying primarily on recruitment, linear progression, and completion metrics’; Adult Learning Wales (ACL01) stated that ‘measures of economic impact must extend beyond employment outcomes alone’; and the National Education

Opportunities Network (NEON) (TS02) urged consideration of ‘the wider benefits of education over and above labour market outcomes.

1.5.3 Research, innovation and technological change were seen as important opportunities for the sector, although respondents also identified challenges relating to capacity, inclusion and governance.

1.5.4 Many submissions stressed the importance of strong partnerships between providers, employers and communities to ensure provision remains responsive to changing economic and technological conditions. Submissions also described a trade-off between specialisation and local access. CITB Cymru (EI01) stated that ‘clustering provision can deliver efficiencies and strengthen links between education and employment’, and NTFW (WBL03) linked collaboration and specialisation to improved efficiency through reduced duplication and to safeguarding at-risk subjects. At the same time, the QAA (RPB08) warned that greater concentration may create barriers for less geographically mobile learners, and Cambrian Training (WBL04) cautioned that ‘if specialisation is pushed too far, regions may end up with fewer providers, limited apprenticeship pathways, reduced competition and weaker learner choice’.

1.6 Financial sustainability

1.6.1 Financial sustainability was raised across all challenge areas.

1.6.2 Submissions highlighted rising operating costs for providers and rising costs for learners, including transport, childcare, equipment, low apprenticeship wages and wider cost of living pressures. Submissions described these costs as affecting not only whether people participate, but also where and what they study.

1.6.3 Efficiencies and collaboration were broadly supported with several submissions pointing to shared services, procurement, coordinated planning and recognition of prior learning. However, several submissions cautioned that these trade-offs are not neutral: Universities Wales (RB09) stated that beyond a certain point ‘efficiency moves into contraction’; NTFW (WBL03) stated that one-to-one support ‘cannot be ‘streamlined’ without negative impact’; Cardiff Metropolitan University (HE05) stated that ‘staffing numbers cannot be squeezed further without damage to the student-to-staff ratios’; RCN Wales (RB12) noted that nursing delivery must comply with Nursing and Midwifery Council approval requirements, limiting how far it can be altered; NEON (TS02) stated that ‘it is hard to see how further cost-savings could be achieved without having a direct impact upon both learner choice and student experience’; Gwent ACL Partnership (ACL02) reported ‘no opportunities for cost-saving’ in adult and community learning; and the Chairs of Universities Wales (HE09) stated that ‘cost reduction alone can only borrow time’.

1.6.4 Several submissions stated that long-term investment and greater funding certainty would be necessary to maintain provision, support innovation and respond to future demand.

1.7 Demographic change and lifelong learning

1.7.1 Submissions highlighted the need for the tertiary system to adapt to demographic change, evolving workforce requirements and increasing demand for lifelong learning opportunities.

1.7.2 Flexible, modular and work-based learning were widely supported as mechanisms for supporting upskilling and reskilling throughout life.

1.7.3 Considerable barriers to adult participation were identified, particularly in relation to funding, accessibility, awareness and the complexity of the system. Submissions also stated that current funding, regulatory and eligibility arrangements are often better aligned to full-time, linear routes than to flexible, modular or community-based learning. NTFW (WBL03) stated that 'the current system is not designed for flexible, modular, or all-age learning'; Adult Learning Wales (ACL01) stated that 'current funding and planning assumptions across the system remain disproportionately weighted towards young, full-time participation'; and Cambrian Training (WBL04) raised 'annualised contracting arrangements, which create substantial uncertainty'.

1.7.4 Submissions frequently emphasised the importance of learning opportunities that can be combined with employment, caring responsibilities and other commitments. Submissions also described a tension between protecting 16 to 18 provision and responding to growing adult demand, alongside constrained employer capacity. the National Centre for Universities and Business (NCUB) (RB03) reported that, given 'the high proportion of small and medium-sized enterprises (SMEs) in Wales' business base, capacity constraints and declining investment represent perhaps the largest barrier to demand for lifelong learning', and Adult Learning Wales (ACL01) identified 'employer capacity to release staff' as a constraint. Submissions further diverged in how they framed demographic change itself. ColegauCymru (RB15) stated that 'demographic decline in young people will impact on overall numbers in the longer term' and that 'an ageing population and longer working lives will drive rising demand for adult learning', and ACT Training (FE03) noted that 'demographic decline may intensify competition over the coming decade'. Other submissions, including the Catholic Education Service (SCH01) and St David's Catholic College (FE09), instead pointed to 'demographic change, with a rising number of 16-year-olds in Wales'.

1.8 Competition and collaboration

1.8.1 Collaboration was widely regarded as essential to maintaining access, supporting progression and making effective use of resources across the tertiary system.

1.8.2 Submissions identified tensions between collaborative ambitions and competitive pressures created by existing funding, accountability and performance and recruitment arrangements. Several submissions described these barriers as

structural rather than a lack of willingness to collaborate. CITB Cymru (EI01) stated that ‘funding and accountability structures can reinforce competitive behaviours rather than collaboration’; NTFW (WBL03) stated that ‘the current system creates structural barriers to collaboration, despite strong willingness across the sector’; and Adult Learning Wales (ACL01) stated that ‘the most significant barrier to collaboration is not institutional unwillingness, but structural misalignment within the system’.

1.8.3 Concerns were also raised about the sustainability of strategically important, specialist and Welsh-medium provision.

1.8.4 Although support for collaboration was widespread, respondents expressed differing views on how collaborative activity should be incentivised, coordinated and governed. Some submissions described competitive pressures as constraining planning and impartial guidance: Coleg Gwent (FE08) reported that ‘some providers do not give impartial advice and guidance in an attempt to keep their learners’; Careers Wales (RPB04) noted that schools with sixth forms can be ‘reluctant to promote college options’, which ‘can restrict informed choice and make impartial guidance more challenging’; and the Academy of Social Sciences (TS04) stated that ‘unmoderated competition can exacerbate institutional stratification and regional inequalities’. Other submissions noted benefits from choice and competition: Careers Wales (RPB04) also stated that ‘there is still benefit in balanced competition for similar post-16 offers’, particularly in rural areas where a single provider may otherwise be the only option; Universities Wales (RB09) noted that ‘one of the principal benefits of an uncapped, demand-led system is that it reduces supply-side rationing’; and Educ8 Training (WBL01) stated that ‘the uncapped system supports access but increases competition and financial pressure on institutions’. The Chairs of Universities Wales (HE09) stated that collaboration ‘cannot come at the expense of institutional independence’.

1.9 Areas of alignment, divergence and tension

1.9.1 There was broad agreement on the need for clearer learner pathways, stronger learner support, greater flexibility and improved coordination across the tertiary education system.

1.9.2 Respondents also shared concerns about financial sustainability and generally agreed that funding arrangements should better reflect the costs of delivering diverse forms of provision and supporting different learner groups.

1.9.3 Differences in emphasis were most evident in views on the balance between labour market priorities and wider economic, educational, socio-economic, cultural and community outcomes, including the contribution of research and innovation.

1.9.4 Key tensions identified included collaboration versus competition, flexibility versus existing system structures, efficiency versus resilience and access, local access versus concentration of provision, and ambitions for greater participation and Welsh-medium growth versus available resources and capacity. These recur across

all five challenge areas and are set out in full at the end of each chapter (sections 5.10, 6.7, 7.7, 8.7 and 9.7).

1.9.5 On a smaller number of points, submissions actively disagreed rather than differing in emphasis. These included: whether participation targets are an effective lever (RB07, favouring targets aligned to projected skills demand, compared with WBL03, RB12 and RPB02, cautioning against reliance on targets alone); whether a stronger focus on full-time participation at 18 would widen or narrow access (WBL02, compared with submissions supporting expanded participation at Level 4 and above); whether entry requirements widen or limit access, including whether GCSE resits should remain the main funded option (SCH01 and FE09) or whether Level 3 attainment should be strengthened first (LA02 and RPB08); whether learner financial support should be broad-based or targeted (SO02, compared with WBL03 and RB15); how far earnings data such as Longitudinal Education Outcomes (LEO) should be relied on as a measure of value (FE01, HE01 and HE10); whether competition mainly constrains or protects learner choice (FE08 and TS04, compared with RPB04, RB09 and WBL01).

1.9.6 Submissions also indicated that these accounts reflect different starting points. Grŵp Llandrillo Menai (GLIM) College (FE05) stated that the challenge of demographic change 'is not uniform across different parts of Wales and therefore institutions are responding in different ways', reporting increased participation of 16-year-olds in its own further education and work-based learning provision alongside a projected decline in the number of 16 to 18-year-olds in 'large parts' of Wales.

1.9.7 Overall, submissions described a system under pressure, but also identified opportunities to improve participation, responsiveness and long-term sustainability through more coordinated working.

2. Introduction

2.1 Background to the Call for Submissions

2.1.1 The Welsh Government published an evidence paper on the Future of the Tertiary Education System in January 2026. The paper set out five challenges facing tertiary education and training in Wales:

- participation;
- demographic change and lifelong learning;
- financial sustainability;
- competition and collaboration;
- delivering for communities and the economy.

2.1.2 The evidence paper was intended to support discussion about the future direction of tertiary education in Wales. It highlighted pressures and choices facing the system across the five challenge areas.

2.1.3 Following publication of the evidence paper, the Welsh Government invited written submissions from organisations and stakeholders. The Call for Submissions asked organisations to provide views, information and proposals relating to the five challenge areas.

2.1.4 The Call for Submissions formed part of wider evidence-gathering activity. During the same period, Welsh Government officials met with key stakeholders, learner engagement was undertaken with school pupils and learners in further and higher education, and the Ministerial Advisory Group considered the challenges facing the system. This report focuses on the written submissions received through the call.

2.2 The written submissions

2.2.1 The Welsh Government received 76 written submissions comprising 73 participating organisations, 3 of which submitted 2 submissions which were all considered as individual counts. Submissions came from organisations across the tertiary education system and related sectors, including further education colleges, higher education institutions, local authorities, representative bodies, apprenticeship and training providers, adult and community learning organisations, student organisations, third sector organisations, trade unions and other interested bodies. A full list of the organisations that submitted, with their submission references, is published in the technical annex (Technical annexes pdf).

2.2.2 The submissions varied in length, focus and level of detail. Some organisations addressed all five challenge areas. Others focused on issues most relevant to their organisation, sector or learner group. The findings should therefore be read as a synthesis of submitted views. They are not a representative survey of the whole sector and should not be read as ranked responses.

2.3 Purpose of this report

2.3.1 A summary report on the Call for Submissions was separately published in August 2026 (Summary of responses pdf) . That report sets out the main themes in short form. This report provides the full thematic analysis: it covers each of the five challenge areas in turn, identifies where views converged and diverged, and cites individual submissions so that readers can trace each point to its source.

2.3.2 This report presents a thematic analysis of the written submissions. It summarises the main issues raised by respondents, where similar points were raised, and where views differed.

2.3.3 The report is intended to support policy discussion by providing a clear and systematic account of the submitted material. It does not assess or rank individual submissions. The report itself does not make policy recommendations. Where submissions proposed particular actions, these are reported as the respondent’s view and are identified as such.

2.4 Scope of the report

2.4.1 The report focuses on the written submissions received through the Call for Submissions. It analyses what respondents raised across the five challenge areas and, where relevant, identifies differences by respondent type.

2.4.2 The report uses sector tags to show the broad source groups linked to findings. These tags are used to support transparency about where evidence came from. They are not frequency counts, rankings or measures of the strength of support for a particular view.

2.4.3 This means the report describes patterns in the submissions received. It does not measure how common each view is across the wider sector.

2.4.4 Submissions are identified throughout this report by organisation name and submission reference. Individual submissions are published alongside this report, and organisations were informed that their submissions would be published. Naming organisations supports transparency of reporting.

2.5 General implications arising from the submissions

2.5.1 Taken together, the submissions do not describe a set of easy choices. Across all five challenge areas, submissions supported broadly similar ambitions; clearer pathways, greater flexibility, stronger collaboration, wider participation and more sustainable provision while also describing these ambitions as drawing on the same constrained funding, staff capacity and learner time. Each chapter therefore closes with the trade-off's submissions raised: widening participation was linked to greater learner support need; efficiency and rationalisation to risks for subject breadth and local availability; specialisation to reduced local access; and flexible, modular and community-based provision to higher delivery costs. Submissions rarely suggested that these tensions could be resolved without choices being made about what to prioritise.

2.5.2 Three broad implications follow from what submissions said. First, prioritisation was itself raised by submissions: NPTC Group of Colleges (FE06) stated that 'public investment must prioritise' technical and vocational programmes aligned to Wales's economic strategy, health and social care, engineering and green technologies, digital upskilling, adult foundational skills and Welsh-medium provision, and Estyn (RPB02) stated that reform 'must prioritise quality, progression and sustainability over participation targets alone'. The British Academy (RB06) called for a clear commitment from government and the regulator to 'safeguard vulnerable subjects', while Universities Wales (RB09) noted that subjects typically become 'at risk' not because of duplication or falling enrolments 'but because of structural underfunding'.

Second, some submissions made their ambitions conditional on earlier steps being taken first. RCN Wales (RB12) stated that, 'for any participation targets to be met, structural barriers affecting access to education must firstly be addressed', and the

Vale of Glamorgan Council (LA02) suggested increasing ‘Level 3 attainment first, particularly for those eligible for free school meals.

Third, submissions identified limitations in the data available or accessible to respondents and the wider sector for assessing whether change is working. These concerns related particularly to access to longitudinal learner records, linked education and employment data, sufficiently detailed outcome information and the research infrastructure needed to analyse these data. They should not be interpreted as indicating that linked education and employment data are not held or used within Welsh Government or Medr. Universities Wales (RB09) called for linked longitudinal data tracking individuals from school attainment through post-16 pathways and into higher education, to support analysis of mature participation and the relationship between system configuration and learner outcomes. Adult Learning Wales (ACL01) reported limitations in system-level data linking learning to sustained employment outcomes. NTFW (WBL03) identified a lack of shared data systems that would allow learner journeys across further education, higher education and work-based learning to be tracked. Natspec (TS01) called for improved destination data, while NPTC Group of Colleges (FE06) sought more detailed linked information covering regional salary and employment outcomes, part-time and mature learners, qualification levels and Welsh-medium learner outcomes.

2.5.3 These implications describe patterns across the submissions received. They are not Welsh Government policy positions, do not assess the merits of individual proposals, and should not be read as recommendations. Welsh Government and Medr use matched education and Longitudinal Education Outcomes data to undertake longitudinal analysis of education and employment outcomes. Education data are also available for approved research through the Secure Anonymised Information Linkage Databank, and work is ongoing to make Longitudinal Education Outcomes data accessible to external researchers through the Office for National Statistics Secure Research Service.

3. Methodology

3.1 The full methodology, including the coding framework, the analytical approach and the limitations of the analysis, is separately published in the consolidated technical annex (see Annex E).

4. Cross-cutting findings

4.1 Participation was commonly discussed in relation to progression, support and pathways

4.1.1 Across the submissions, participation was described in relation to learner numbers, progression, clearer pathways and learner support, rather than just number of entries to tertiary education.

4.1.2 ACL, FE, local authority and representative body submissions highlighted the importance of provision below Level 2, including Entry and Level 1 courses, and access routes and progression opportunities from them.

4.1.3 Submissions also described barriers linked to transport, childcare, learner finance, additional learning needs and mental health support.

4.1.4 Welsh-medium organisations and some education providers described issues linked to Welsh-medium continuity, staffing, learner options and progression routes.

4.2 Submissions raised funding and cost pressures across multiple challenge areas

4.2.1 Submissions across themes described funding and cost pressures affecting both learners and providers, including staffing, estates and learner support costs. These pressures, and their effect on financial sustainability, are explored in detail under challenge 3.

4.3 Submissions valued flexibility but questioned whether current arrangements support it

4.3.1 Submissions referred to part-time study, modular provision, work-based learning, adult learning, micro-credentials (short, focused awards), and lifelong learning opportunities. These issues were raised by ACL organisations, training providers, FE colleges and representative bodies.

4.3.2 At the same time, submissions raised concerns that funding arrangements, regulatory frameworks and accountability systems were better aligned to traditional full-time routes. Respondents linked this issue to wider concerns about demographic change, lifelong learning and workforce development.

4.4 Collaboration was widely supported, but submissions identified structural barriers

4.4.1 Submissions discussed collaboration in relation to progression pathways, specialist provision, employer engagement, research activity, regional planning and shared services.

4.4.2 Submissions also described barriers that limited collaboration in practice. FE, HE, local authority, representative body and regional partnership submissions referred to funding arrangements, recruitment incentives, governance requirements, data-sharing challenges and capacity constraints. Examples included funding based on learner numbers, different funding rules for similar provision, separate data systems, competition for recruitment, limited staff time and uncertainty about who pays for partnership working.

4.4.3 Submissions attributed barriers to collaboration to structural factors such as funding, governance, accountability, data, capacity and competition law rather than a lack of willingness. NTFW (WBL03) noted 'structural barriers to collaboration, despite strong willingness'; Adult Learning Wales (ACL01) said the barrier 'is not institutional unwillingness, but structural misalignment'; and the British Academy (RB06) and Universities Wales (RB09) cited restrictions under competition law.

4.5 Place-based local access

4.5.1 Submissions referred to local access to learning in relation to rurality, transport, community-based provision, Welsh-medium availability and access to specialist subjects. Local authorities, FE colleges, ACL organisations and Welsh language organisations were among those that raised these issues. Transport was raised across several challenge areas as affecting whether learners can reach provision. University of South Wales (HE02) described transport costs as a repeated barrier to participation in further and higher education and referred to a 'postcode lottery' for post-16 transport; Carmarthenshire County Council (LA01) described transport costs as a major barrier at post-16; Coleg Gwent (FE08) referred to long journey times, several bus changes and a lack of trains in some areas; St David's Catholic College (FE09) referred to daily travel costs as a financial burden for lower-income learners; and UCAC (RB08) raised transport costs for pupils in Welsh-medium schools who need to travel for tertiary education.

4.5.2 Submissions also discussed outcomes beyond private benefits such as employment and earnings. They referred to progression, wellbeing, confidence, and to wider social outcomes including civic contribution, Welsh language outcomes and regional retention. These wider outcomes were raised in ACL, third sector, local authority and Welsh language submissions.

4.6 Digital change and AI as emerging themes

4.6.1 Digital change and artificial intelligence (AI) appeared across several submissions. Submissions referred to opportunities linked to personalised learning, learner analytics, planning and efficiency. They also highlighted concerns about digital exclusion, staff capability, assessment integrity, infrastructure requirements and data governance. These issues were raised in HE, FE and representative body submissions.

5. Challenge 1: Participation

5.1 This section summarises what submissions said about participation. It covers access, equity and participation for learners up to 18; learner backgrounds and entry profiles; learner pathways and progression; the suitability of pathways; participation patterns; future participation and targets; and Welsh-medium participation.

5.2 Participation was discussed in relation to progression, pathways and learner support

5.2.1 Submissions described participation as more than entry into tertiary education and training. They referred to progression through the system, clear pathways, learner support and whether routes lead to further learning, apprenticeships or employment.

5.2.2 CITB Cymru (EI01) raised concerns that pathways beginning with lower-level, full-time FE provision do not consistently lead to sustained employment, and that some pathways lack clear progression into apprenticeships. VTCT Skills (WBL02) described school-to-college pathways as inconsistent, poorly communicated and often misunderstood by learners, parents, teachers and employers. NTFW (WBL03) referred to insufficient pre-programme or transitional provision, particularly for learners with foundational skills gaps.

5.2.3 Several submissions described lower-level provision as important, but not sufficient on its own. NPTC Group of Colleges (FE06) described lower-level vocational pathways as important for social mobility. Gower College Swansea (FE01) referred to flexible, supportive and scaffolded Entry and Level 1 provision, meaning support provided in stages, for learners with anxiety-related needs, disrupted educational histories and emerging additional learning needs.

5.3 Learner backgrounds and entry profiles

5.3.1 Submissions linked this entry profile to the level of support required at the start of post-16 provision, discussed further below. Educ8 Training (WBL01) stated that learners entering lower-level post-16 provision are more likely to come from disadvantaged backgrounds, have additional learning needs (ALN), and present with low literacy and numeracy. NTFW (WBL03) similarly referred to learners entering Level 1 and Level 2 provision with lower prior attainment, additional learning needs and socio-economic disadvantage.

5.3.2 Gower College Swansea (FE01) described a rise in learners arriving at the college presenting with complex needs, including anxiety, emotional-based school avoidance, disrupted educational histories, lower confidence and weaker social interaction skills. ColegauCymru (RB15) referred to learner groups more likely not to engage with provision, including learners from deprived households, ALN learners,

ESOL learners (learners taking English for speakers of other languages), EOTAS (educated other than at school) and EHE learners (effectively home educated) and learners facing increased travel costs. Several submissions also linked participation to uneven pre-16 support, disrupted attendance, emerging or undiagnosed need, and rising demand for structured transition and pastoral support (RPB02, LA03).

5.3.3 Natspec (TS01) raised concerns that learners with complex ALN and disabilities were not visible enough in the consultation document. It also referred to limited data on destinations for learners with complex ALN accessing lower-level qualifications and courses. Estyn (RPB02) also raised issues around specialist support, workforce capacity, transition planning and access to suitable provision. RCN Wales (RB12) raised concerns about learners capable of higher-level study being routed into lower-level college qualifications and referred to gendered expectations and stereotypes shaping some vocational choices.

5.3.4 Natspec (TS01) also raised concern that learners who remain in specialist school provision until age 19 may be regarded as having already accessed further education, despite not necessarily having experienced a further education setting or programme of study. The submission argued that this can obscure participation and progression issues for learners with complex additional learning needs.

5.4 Pathways between school, FE, apprenticeships, HE and employment

5.4.1 Submissions referred to pathways across school, FE, work-based learning, apprenticeships, higher education and employment. A recurring point was that routes need to be clearer and better connected. The importance of impartial advice and earlier exposure to different routes, including FE, work-based learning, apprenticeships and HE was also raised (WBL02).

5.4.2 CITB Cymru (EI01) stated that a substantial proportion of new entrants to construction continue to enter through informal routes, suggesting that formal pathways are not operating as effectively as they could. It also referred to the need to better integrate FE and work-based learning, including meaningful work experience, transfer into apprenticeships during programmes and recognition of prior learning.

5.4.3 VTCT Skills (WBL02) stated that learners undertaking vocational qualifications in schools may arrive in college without a clear understanding of vocational pathways, Level 2 study, or how qualifications relate to occupational competence (the skills and standards needed for a role). ACT Training (FE03) referred to foundation or Level 1 to Level 2 vocational courses, pre-apprenticeship or Jobs Growth Wales Plus programmes, and clear progression into apprenticeships as part of effective pathways. Carmarthenshire County Council (LA01) suggested that funded work experience from Year 7, including arts, cultural and community experience and employer mentoring could support engagement for learners more likely to engage with lower-level post-16 provision.

5.4.4 Carmarthenshire County Council (LA01) suggested that funded work experience, employer engagement and community-based opportunities from Year 7 could improve awareness of vocational and technical pathways and support engagement among learners more likely to disengage from provision.

5.4.5 RCN Wales (RB12) referred to FE programmes introducing learners to health and social care careers but stated that progression routes from FE into higher education programmes such as nursing are not always clear or accessible. Universities Wales (RB09) raised concerns about whether lower-level FE pathways operate as structured stepping stones or as endpoints. Learning and Work Institute (RB02) also raised the need to consider learners who are not currently participating in post-16 education, and how they are supported into education and work.

5.4.6 The University and College Union (UCU) (TU02) referred to a “Future Pathways” framework, co-created with schools, colleges and universities, setting out academic and vocational routes into higher education, foundation year options, apprenticeships and part-time degrees, and support services for learners with additional learning needs, carers and adult learners. It also called for the development of vocational-focused degree pathways and new higher education courses aligned with vocational qualifications and career routes.

5.5 Suitability of pathways

5.5.1 Submissions presented different views on the suitability of current pathways. Some submissions described lower-level, vocational and work-based routes as appropriate for learners who need practical, confidence-building or return to learning pathways. VTCT Skills (WBL02) stated that not all learners can succeed at Level 2 immediately and described Level 1 and Entry-level provision as important confidence-building routes. NTFW (WBL03) described vocational and work-based pathways as practical alternatives to academic study and re-engagement routes. NPTC Group of Colleges (FE06) stated that under-investment in Level 1 and Level 2 vocational routes would directly affect young people who rely most on FE.

5.5.2 Other submissions raised concerns about unclear or unsuitable routes. CITB Cymru (EI01) stated that increased enrolment may not translate into improved labour market outcomes where pathways into employment are unclear. RCN Wales (RB12) stated that policy attention should focus on preventing learners from being placed on inappropriate pathways in the first place. Natspec (TS01) called for clearer expectations around the purpose, outcomes and progression destinations of pathways for learners with complex needs. Carmarthenshire County Council (LA01) raised concern that reliance on GCSE mathematics and Cymraeg or English for college entry may prevent some learners below the grade C threshold from accessing higher-level vocational routes.

5.5.3 Adult community learning submissions described community-based routes as stepping stones into further learning. Carmarthenshire County Council Community

Learning (ACL03) stated that some young learners on lower-level courses find ACL provision more suitable as a step towards FE, especially where they have had low engagement or negative experiences of school. Rhondda Cynon Taf ACL (ACL05) stated that learners who lack confidence are not always well equipped to enter the FE or HE environment.

5.6 Access, equity and participation for learners up to 18

5.6.1 Submissions raised barriers linked to transport, finance, ALN, mental health, rurality, local provision and guidance. NUS Wales (SO01) stated that pathways into further education are shaped by prior attainment and wider factors, including transport, financial pressures, local provision, advice and guidance. NASUWT, the teachers' union, (TU03) referred to the rural nature of Wales and limitations of public transport as a factor in where learners study. Vale of Glamorgan Council (LA02) also described transport as a significant participation barrier. NPTC Group of Colleges (FE06) referred to rural learners needing community-based provision rather than distant campus-only options.

5.6.2 ColegauCymru (RB15) referred to very high demand for support services, including mental health and wellbeing support and financial support. Gower College Swansea (FE01) referred to learners at risk of becoming NEET (not in education, employment or training) without appropriate flexible pathways. GLIM College (FE05) also stated that ALN and support costs need to be core costs, so colleges can plan long-term support. the Welsh Local Government Association (WLGA) (LA03) raised a further access issue for 16- and 17-year-olds attending FE, noting that they remain children in law but may be learning in adult environments.

5.6.3 Some submissions questioned a narrow focus on full-time higher education participation at age 18. VTCT Skills (WBL02) stated that pushing for significantly higher full-time 18-year-old participation could undermine widening access progress, reduce flexibility and weaken local vocational HE routes. NTFW (WBL03) stated that increasing full-time HE entry at 18 should not be pursued at the expense of flexibility. The HE Students Union (SO02) challenged the assumption that Wales should increase full-time entry at 18 as a primary goal. NPTC Group of Colleges (FE06) suggested that national targets should recognise rural delivery challenges, higher education delivered in further education settings and apprenticeships. Vale of Glamorgan Council (LA02) suggested increasing Level 3 attainment first, particularly for learners eligible for free school meals.

5.6.4 The Equality and Human Rights Commission (RPB03) raised concerns about gaps in data on protected characteristics across further and higher education, including ethnicity, disability, sexual orientation and religion, and called for better disaggregation of outcomes data, including for care experienced children and young carers. It referred to Medr's duty under the Tertiary Education and Research (Wales) Act 2022 to promote equality of opportunity. (Medr is the Commission for Tertiary Education and Research, the body responsible for funding and regulating post-16

education and training in Wales.) Citing its own research, it reported that 13% of all higher education students had experienced racial harassment, rising to 24% of ethnic minority students compared with 9% of White students, and that 56% had experienced racist name-calling. It stated that around two-thirds of students who experienced racial harassment in 2018/19 did not report it, and that fewer than 4 in 10 student complaints and around 1 in 6 staff complaints were upheld. These figures are the Commission's own cited statistics and have not been independently verified as part of this analysis.

5.6.5 UCU (TU02) called for expanded support for learners with additional learning needs entering higher education, improved transition support between school or college and university, and the development of more inclusive teaching practices across Welsh higher education institutions.

5.7 Participation patterns in FE, HE, part-time and mature learning

5.7.1 Submissions discussed changing participation patterns across FE, HE, part-time and mature learning. CITB Cymru (EI01) suggested that increased FE participation may reflect economic conditions, limited apprenticeship opportunities and capacity constraints within work-based learning. VTCT Skills (WBL02) referred to cost-of-living pressures, reduced appetite for university debt and learners seeking faster routes into employment. Across the submissions, changing FE participation was linked to a combination of system factors, including apprenticeship availability, reduced sixth-form availability, broader vocational college offers, local access, disrupted pre-16 education experiences and debt concerns.

5.7.2 ACT Training (FE03) stated that the reduction of SME-supported apprenticeship initiatives, including the Employer Incentive Scheme, had a direct impact on apprenticeship recruitment for 16- to 24-year-olds. NTFW (WBL03) also linked reduced apprenticeship recruitment, particularly among SMEs, to more 16- to 24-year-olds entering full-time FE. The Federation of Small Businesses (RB14) also linked apprenticeship participation to firm size and geography, noting lower apprenticeship take-up among the smallest firms and the importance of opportunities in rural and Welsh-speaking areas.

5.7.3 GLLM College (FE05) reported significant growth in FE full-time recruitment over the last 4 years and described young people choosing vocational routes instead of A levels. NPTC Group of Colleges (FE06) described demand for vocational and technical education as remaining high.

5.7.4 Higher education and student submissions discussed part-time and mature participation. The HE Students Union (SO02) stated that higher part-time and mature participation in Wales is linked to the Diamond Review decision to extend maintenance support on a pro-rata basis to part-time students and to fund postgraduate study. The Open University in Wales (HE07) stated that since the student finance reforms following the Diamond Review, it had more than doubled in student numbers. Universities Wales (RB09) referred to Wales having a distinctive higher education

participation profile, with relatively higher mature and part-time study than other parts of the UK. GLIM College (FE05) also described HE-in-FE as supporting local and flexible access for learners balancing work, family or financial commitments.

5.8 Future participation and targets

5.8.1 Submissions raised different views on future participation targets. CITB Cymru (EI01) stated that Wales has skills shortages at Levels 2 and 3 as well as at higher technical levels, and that targets should reflect the full occupational structure of the economy, including apprenticeships across multiple levels. NTFW (WBL03) supported ambition to increase Level 4+ attainment but stated that age-based participation targets alone would not meaningfully increase uptake.

5.8.2 Cambrian Training (WBL04) stated that Wales should be cautious about adopting a Level 4+ participation target and referred to lack of coherent progression pathways from Level 2 and Level 3 into Level 4+. The Open University in Wales (HE07) stated that targets are useful only if supported by sufficient resources, funding, infrastructure and policy change. NPTC Group of Colleges (FE06) similarly supported national targets only where they are backed by capital and revenue funding, sensitive to rural inequities, inclusive of HE-in-FE and apprenticeships, and designed to reduce regional skills inequality.

5.8.3 NUS Wales (SO01) stated that participation targets should reflect the diversity of the Welsh system, including part-time study, FE and apprenticeships. The HE Students Union (SO02) suggested that any target should be a composite measure, meaning a measure that combines several indicators, covering all modes and ages, with quality indicators alongside volume. NEON (TS02) raised concerns that targets should not focus only on one part of the student lifecycle and should take account of differing demographics across Wales. Taken together, these submissions pointed towards participation measures that recognise multiple routes, rather than only full-time HE entry at age 18.

5.8.4 Universities Wales (RB09) called for strengthening and monitoring attainment, completion and progression throughout the system. It also called for an independent commission on higher education participation. Some submissions therefore placed greater emphasis on prior attainment and progression before Level 4+, including Level 3 attainment and progression for learners from disadvantaged backgrounds.

5.9 Welsh-medium and bilingual participation

5.9.1 Welsh-medium and bilingual provision was one of the main areas raised across submissions. Submissions referred to availability of Welsh-medium routes, bilingual vocational learning, staffing, resources, digital provision and continuity between school, FE, apprenticeships and HE.

5.9.2 Coleg Cymraeg Cenedlaethol (FE04) referred to Welsh-medium participation across FE, apprenticeships and HE, including differences in participation between

boys and girls. The HE Students Union (SO02) described Welsh-medium higher education provision as fragile, unevenly distributed and concentrated in a small number of institutions.

5.9.3 Careers Wales (RPB04) referred to Welsh-medium opportunities being less consistent in FE colleges and vocational courses and possibly less known to applicants. The Open University in Wales (HE07) stated that provision in the tertiary sector remains some way behind other parts of the Welsh education system.

5.9.4 Training provider submissions raised bilingual vocational routes. VTCT Skills (WBL02) recognised the importance of strengthening bilingual vocational education and referred to Welsh-medium resources for staff and learners. NTFW (WBL03) referred to shortages of Welsh-speaking tutors, assessors and workplace mentors, and to some vocational qualifications not being available in Welsh or Welsh versions lagging behind English releases. Educ8 Training (WBL01) referred to increasing expectations for Welsh-medium delivery across all pathways, including apprenticeships. These submissions pointed to a gap after age 16, where Welsh-medium school routes are not always matched by consistent FE, work-based learning or technical routes.

5.9.5 Adult community learning submissions raised sustainability issues. Carmarthenshire County Council Community Learning (ACL03) stated that numbers of learners in ACL wanting Welsh-medium provision are low and often not viable, and that tutors able to deliver Essential Skills in Welsh are low in number and hard to recruit. Rhondda Cynon Taf ACL (ACL05) referred to English essential skills provision as lacking for learners who attended Welsh-medium schools.

5.9.6 Submissions also referred to digital and blended learning. Submissions used 'blended learning' to describe a range of approaches combining in-person and online delivery, without a shared definition. Where the term appears in this report it reflects the sense in which the individual submission used it. Cambrian Training (WBL04) lists it as one of 'evening, weekend, online, blended'; RCN Wales (RB12) treats it as a complement that 'must not come at the expense of maintaining the primacy of full-time nurse education'; EAUC (TS03) pairs it with modular courses and micro-credentials; University of South Wales (HE02) refers to 'modular, bite-sized, and blended learning in local communities'; Gower College Swansea (FE01) to 'out of hours / blended / online learning'; Universities Wales (RB09) to flexible and blended provision expanding incrementally. Educ8 Training (WBL01) referred to blended learning as an opportunity to widen access to Welsh-medium study.

5.9.7 National Education Union Cymru (TU05) and the Education Workforce Council (RPB07) also raised Welsh-medium provision, including concerns about the supply of Welsh-speaking staff and the implications of Welsh-medium expansion for workforce planning and recruitment.

5.10 Tensions

This section sets out tensions identified across the submissions as a whole. Some were described directly by individual respondents; others emerge from comparing views expressed in different submissions. They summarise what respondents said and are not Welsh Government policy positions.

5.10.1 Participation vs. support intensity: widening participation may increase the range and level of learner support needs. Submissions suggested that current system design may not fully reflect the support needed.

5.10.2 Entry vs progression: submissions supported widening entry but cautioned that entry alone may not improve outcomes where routes do not lead onwards, or where learners repeat, stall or remain on provision without clear progression.

5.10.3 Flexibility vs coherence: Flexibility and non-linear routes can improve access, but pathways can become complex and harder for learners to navigate.

5.10.4 Targets vs responsiveness to learner needs and local demand: submissions differed on whether participation targets are an effective lever. Some supported targets aligned to projected skills demand; others cautioned that headline numbers can draw attention away from route diversity, local access, learner support and progression.

5.10.5 Welsh-medium ambition vs delivery capacity: expanding Welsh-medium participation depends on learner choice, staff capacity, resources, continuity across pathways and qualification availability.

5.10.6 Local access vs concentration of provision for specialisation or viability: submissions valued specialist or higher-level provision but also raised concern that learners in rural or less mobile communities may need local, community-based or HE-in-FE routes to participate. This included concern that subject or geographic cold spots can affect learner choice where students need to study locally or commute from home.

5.10.7 Entry requirements vs inclusive progression: some submissions raised concerns that the use of GCSE English, Welsh or mathematics as entry requirements can limit access, while others emphasised the need to strengthen Level 3 attainment before expanding higher-level participation.

5.11 Areas of broad alignment and divergence in the submissions

5.11.1 There was broad alignment in the following areas:

- ‘participation’ should encompass access, retention, continuation and progression, not entry alone.
- Entry, Level 1 and Level 2 provision remain important for re-engagement and for learners from disadvantaged backgrounds.
- Flexible, part-time, adult and work-based routes should be protected as part of the Welsh system offer.
- Learners need clearer, earlier and more impartial information, advice and guidance across academic, vocational and work-based options.
- Participation policy should take account of barriers linked to socio-economic background, geographic, transport, ALN, mental health, wellbeing and support.

5.11.2 Views varied on:

- the role of participation targets;
- the balance between full-time HE at 18 and other pathways
- the extent to which HE is the most appropriate route for all learners
- whether national targets should focus on Level 4+ attainment, composite measures across routes, or progression and outcomes across the whole learner journey
- whether the priority should be expanding higher-level participation or first strengthening Level 1 to Level 3 foundations, particularly for disadvantaged learners

5.12 Areas suggested for policy consideration

This section provides an overview of areas which were suggested within the submissions for policy consideration.

5.12.1 Develop clearer progression frameworks across FE, work-based learning, apprenticeships, HE and employment, including clearer Level 2 to Level 3 and Level 3 to Level 4+ routes (EI01, WBL03, WBL04, RB09).

5.12.2 Protect foundation, Entry, Level 1, Level 2, confidence-building, pre-apprenticeship and re-engagement routes where these support learners who are not ready for immediate higher-level study (WBL02, WBL03, FE06, FE01).

5.12.3 Strengthen impartial advice and guidance, including earlier exposure to vocational, academic, work-based and HE pathways, and more consistent access to FE, work-based learning and university partners in schools (WBL02, LA03, RPB04).

5.12.4 Target practical learner support where it affects access and continuation, including transport, childcare, equipment, digital access, ALN support, mental health and pastoral support (SO01, RB15, FE05, LA03, FE06).

5.12.5 Support local and flexible participation routes, including community-based provision, HE-in-FE and provision for rural learners who cannot easily travel to distant centres (FE05, FE06, LA03).

5.12.6 Invest in Welsh-medium staffing, bilingual vocational resources, qualification availability and continuity from school into FE, apprenticeships, work-based learning and HE (FE04, RPB06, WBL03, WBL01)

5.12.7 Align participation measures with progression, retention, completion, learner outcomes and route diversity, rather than enrolment volumes alone (SO01, SO02, FE06, RB09, WBL03)

5.12.8 Support learners who are not currently participating in post-16 education through flexible, confidence-building and re-engagement provision (RB02, TS07).

5.12.9 Consider earlier and more consistent employer engagement, work experience and mentoring, including from Year 7 where submissions suggested this could support retention and pathway awareness (LA01, LA03).

5.12.10 Address subject and geographic cold spots where they affect participation, especially for learners who are less mobile or need to study locally (RB10, RPB08).

5.12.11 Consider participation measures that recognise progression to Level 3 as well as Level 4+, particularly for learners from disadvantaged backgrounds (LA02, FE06).

6. Challenge 2: Communities and the economy

6.1 This section summarises what submissions said about communities and the economy. The submissions covered labour market alignment, outcomes and data, research, innovation and investment, specialisation and regional clustering and AI and technological change.

6.2 Labour market alignment

6.2.1 Submissions discussed the relationship between tertiary education, employer demand and local or regional skills needs.

6.2.2 CITB Cymru (EI01) stated that funding should be prioritised towards areas of clear labour market demand, including apprenticeships and provision in shortage occupations. VTCT Skills (WBL02) referred to working with Regional Skills Partnerships and their strategic plans so that the qualifications and apprenticeship

frameworks offered reflect identified regional demand. NTFW (WBL03) referred to courses designed around real workforce requirements, sector-specific vocational training aligned with Regional Skills Partnership priorities, and work-based learning and employer-supported upskilling. Cambrian Training (WBL04) referred to sector-specific employer needs, regional economic priorities and local labour-market shortages.

6.2.3 ColegauCymru (RB15) described apprenticeship provision in Wales as a strength of the system and referred to the role of colleges in supporting employability and community resilience. It also referred to skills shortages in retrofit, renewable energy technologies and energy management, and to training in environmental sustainability, retrofit, energy assessment, renewables and traditional building repair. ACT Training (FE03) referred to apprenticeship provision reflecting SME needs and regional industry clusters. Some submissions also linked labour-market alignment to place-based economic priorities, including local growth, regional skills needs and the role of providers in supporting local economies (RB02, TS02).

6.2.4 NPTC Group of Colleges (FE06) argued that public investment must be prioritised towards provision that is aligned with Wales' economic strategy and labour market need, technical and vocational programmes, health and social care, engineering and green technologies, digital upskilling, adult foundational skills and Welsh-medium provision.

6.2.5 Adult Learning Wales (ACL01) stated that adult and community learning supports individuals to enter and progress within the labour market, enables workforce adaptability, and strengthens local and regional economies. Gower College Swansea ACL (ACL07) referred to it as a gateway into further education, work-based learning, higher education and employment. This gateway role, and its link to local and regional economies, was described across several submissions (ACL01, ACL02, RB02, RB13, HE02A).

6.2.6 The National Centre for Learning Welsh (ACL06) referred to Welsh language skills among learners and workforces, including the statutory education workforce, the FE and HE workforce, and the health and social care workforce. Coleg Cymraeg Cenedlaethol (FE04) referred to Welsh-medium and bilingual provision as part of meeting workforce needs and supporting Welsh language skills in the labour market. The Welsh Language Commissioner (RPB06) also linked Welsh-medium vocational provision to workforce needs in sectors it identified.

6.2.7 The Academy of Social Sciences (TS04) stated that protecting disciplinary breadth and research excellence in the social sciences is important for Wales' economy and for a broad skills base and called for clearer signposting of career pathways associated with social science qualifications.

6.3 Outcomes and data

6.3.1 Submissions referred to employment outcomes, progression, learner destinations, earnings, occupational pathways, and wider measures of learner benefit, and to the need to examine these by region and by learner groupIn this section, outcomes mean what learners do after learning, including further study, work, volunteering or other benefits.

6.3.2 CITB Cymru (EI01) supported improved use of longitudinal data to understand progression into employment, alignment between training and occupation, and retention within sectors. It also stated that there is currently an incomplete picture of learner destinations. It argued that outcomes data should not only measure employment but should examine whether learners enter the occupation they trained for and remain within that sector over time.

6.3.3 Gower College Swansea (FE01) supported the continued development of Longitudinal Education Outcomes (LEO) data, which links education records with later employment and earnings information, but stated that its current use is too narrowly focused on earnings and does not fully capture the impact of further education. It referred to occupational outcomes and sector alignment, the progress learners make from their starting point, long-term employment stability, equity and inclusion measures. The Royal Welsh College of Music and Drama (HE10) similarly raised concern that earnings may be less suitable as a measure of outcomes in the creative industries.

6.3.4 Cardiff and Vale College (CAVC) (FE02) stated that LEO data must be interpreted within context and not used as a blunt measure against subject choices at 16 to 19. ACT Training (FE03) referred to employment outcomes, progression from school, college and apprenticeship levels, sustained employment, and alignment between qualifications and labour market sectors. Coleg Gwent (FE08) referred to progression linked to earnings, sustained employment and employment sector data.

6.3.5 NPTC Group of Colleges (FE06) stated that Welsh Government should prioritise regional earnings and employment outcomes for part-time and mature learners, qualification-level analysis, Welsh-medium, and rural or urban differences.

6.3.6 Swansea University (HE01) stated that LEO data though useful, may not provide a reliable picture of universities' impact and value particularly where value is not captured by graduate earning alone. University of South Wales (HE02) stated that current measures tend to focus on direct, year-on-year progression through a linear pathway. It referred to tracking where graduates work, which sectors they enter, earnings at multiple points after graduation, progression from alternative routes, and outcomes by socio-economic background, Welsh-medium participation or gender. Several submissions called for more disaggregated outcomes analysis, including by socio-economic background, disability, ethnicity, gender, and geography (RB09, RPB03, RPB01). The Equality and Human Rights Commission (RPB03) was the most

substantial contributor to this point, referring specifically to gaps in disaggregated data on ethnicity, disability, religion, sexual orientation, children with care experience and young carers, and to Medr's duty to promote equality of opportunity (see also 5.6.4).

6.3.7 Coleg Cymraeg Cenedlaethol (FE04) referred to the value of data on labour market outcomes for Welsh-medium cohorts. It also referred to better use of Regional Skills Partnership skills surveys to identify gaps in Welsh language workforce skills and tertiary education provision.

6.3.8 Adult Learning Wales (ACL01) stated that measures of economic impact should extend beyond employment outcomes alone and include movement into volunteering, further learning, increased qualifications, confidence, resilience and wellbeing. Swansea ACL Partnership (ACL04) referred to barriers to tracking learner progression where learner data cannot be shared across the partnership because of the General Data Protection Regulation (GDPR). It further stated that barriers to sharing learner data across partnerships limit the ability to track progression between providers and sectors, affecting understanding of longer-term learner journeys.

6.3.9 NEON (TS02) referred to wider benefits of education beyond labour market outcomes, including physical and mental health benefits. University of South Wales (HE02) called for metrics that reward social impact, such as addressing regional skills deficits, rather than recruitment, linear progression and completion alone. Natspec (TS01) raised a specific data gap for learners with complex ALN, stating that LLWR does not capture data for this learner group.

6.4 Research, innovation and investment

6.4.1 Research, innovation and investment were raised in relation to universities, FE, industry, public services, SMEs and regional development.

6.4.2 The Learned Society of Wales (RB11) described research and innovation as a national asset beyond education. It stated that world-class research underpins economic growth, sustains the NHS, and drives social and cultural progress. Universities Wales (RB09) referred to research and innovation as a core function of universities and to universities competing for UK-wide and international funding. The Learned Society of Wales (RB11) also emphasised early-stage and fundamental research as a foundation for later innovation, products and services.

6.4.3 Universities Wales (HE09) cited economic analysis that Welsh university research generates £1.98bn for the economy, including £1.33bn through productivity spillovers across other sectors, with 70% of assessed research reported to benefit people and public services across Wales. The Royal Society of Chemistry (RB10) referred to chemical science research in Wales delivering innovations that reduce environmental impact and make businesses more efficient and effective. It also noted that Wales received 2.3% of UK research investment while being home to 4.6% of the population.

6.4.4 The Engineering Professors' Council (RB07) described engineering research in universities as linked to energy security, climate resilience, defence capability, public health, sustainable manufacturing and infrastructure. Cardiff University (HE06) referred to the Sêr Cymru programme and to Draig Therapeutics, which raised $140 million investment. The Institute of Physics (RB05) stated that skills shortages had led some physics-based businesses to suspend or delay research and innovation activity.

6.4.5 Gower College Swansea (FE01) stated that FE colleges are well placed to act as partners that help turn research into practical use between research and industry, particularly for SMEs. the University of Wales Trinity Saint David (UWTSD) (HE04) referred to networks that support practical research that translate knowledge into regional economic and social impact. NCUB (RB03) referred to contract research, spinouts and intellectual property, knowledge transfer, and activities that increase adoption and diffusion of innovation and technologies in the local business base.

6.4.6 Cwmpas (RB13) referred to social enterprises, co-operatives and community organisations as partners in applied research, including in health and social care innovation, community resilience, climate transition and inclusive economic development. The Federation of Small Businesses (RB14) stated that research and development funding is too low in Wales and that small innovative businesses should benefit from support. It also referred to Innovate UK support helping businesses diversify products and look to new markets.

6.4.7 RCN Wales (RB12) referred to partnerships between tertiary education providers, health services and private sector organisations to identify areas of untapped research potential and support innovation that improves health outcomes and workforce productivity. GW4 (RB04) referred to the stage-gated of funding where new collaborations are needed, involving small amounts of funding to develop ideas before a full application is submitted.

6.4.8 Bangor University (HE03) referred to knowledge exchange and innovation partnerships, including spin-out companies, licensing and research commercialisation, as part of its contribution to research and innovation in Wales.

6.5 Specialisation and regional clustering

6.5.1 Submissions discussed specialisation and regional clustering, also known as "agglomeration", in relation to labour market demand and supply, efficiency, access, learner choice and regional advantages. Specialisation means providers focusing more on particular subjects or strengths. Regional clustering means concentrating related industries, occupations and skills in specific places.

6.5.2 CITB Cymru (EI01) stated that there is a strong case for greater specialisation and collaboration where this aligns with regional economic needs and labour market demand. It also stated that clustering provision can deliver efficiencies and strengthen links between education, employment, and productivity but that there are risks associated with reduced local access and over-concentration of provision.

6.5.3 NTFW (WBL03) stated that collaboration and specialisation can improve efficiency, reduce duplication, support clearer learner progression and safeguard at-risk subjects. It also referred to risks including reduced local access, regional inequalities, and dependence on strong governance and digital infrastructure.

6.5.4 Cambrian Training (WBL04) stated that specialisation should be sector-led, not administratively imposed. It referred to existing employer networks, specialist staff, established training facilities and proven delivery models. It also stated that specialisation could lead to fewer providers, limited apprenticeship pathways, reduced competition and weaker learner choice.

6.5.5 Educ8 Training (WBL01) referred to cross-institutional collaboration and specialisation helping Welsh providers build enough scale in areas of strength and attract industry partners. It also referred to clustering expertise around agreed place-based priorities. Cwmpas (RB13) described universities and colleges as large local institutions with an important role in their area and referred to the role of place-anchored enterprises in supporting local economies.

6.5.6 Universities Wales (RB09) stated that undergraduate education benefits from disciplinary diversity, geographic accessibility and institutional breadth. It also stated that excessive concentration of provision risks narrowing student choice and reducing the ability of learners to study locally. The Open University in Wales (HE07) raised a risk that activity could be concentrated in certain geographical pockets at the expense of others. This represents a trade off with the benefits of agglomeration.

6.5.7 QAA (RPB08) stated that greater concentration of provision in particular institutions or locations may create barriers for learners, particularly those less geographically mobile or reliant on local provision. Estyn (RPB02) stated that specialisation can mean a particular campus within a college offers certain courses, making them harder to access for learners who do not live nearby, while also enabling provision to be financially viable. Again, a trade-off with agglomeration that would require transport investment.

6.5.8 Gwent ACL Partnership (ACL02) stated that specialisation may result in high-quality provision but may be less accessible for many learners. UCU Cymru (TU04) raised risks for staff and academic activity, including the point that academics cannot simply be moved from one part of Wales to another. The Federation of Small Businesses (RB14) argued that place-blind approaches to innovation funding tend to favour established agglomeration hubs, disadvantaging more dispersed, less urban areas such as Wales.

6.5.9 The Learned Society of Wales (RB11) referred to examples of clusters and regional strengths, including compound semiconductors, creative industries, the North Wales AI Growth Zone, M-SParc at Bangor University, steel innovation in Swansea, and small modular reactor investment in Wylfa. RCN Wales (RB12) referred to shared

expertise and infrastructure between tertiary education providers, health services and research partners.

6.6 AI and technological change

6.6.1 Submissions referred to AI and technological change affecting teaching, learning, assessment, staff workload, digital inclusion, workforce skills, data governance and Welsh-medium provision. AI refers to digital tools that can produce, analyse or support content and decisions, when used with human oversight.

6.6.2 CITB Cymru (EI01) stated that AI and digital technologies present both opportunities and challenges for the construction sector. It stated that they offer potential to enhance training delivery and improve productivity but require significant upskilling of the workforce.

6.6.3 VTCT Skills (WBL02) referred to AI opportunities in personalised learning, efficiency, learner support, labour market alignment and research and innovation. It also referred to threats including inequalities, assessment integrity risks, workforce disruption, and data and ethical concerns. NTFW (WBL03) referred to adaptive systems, intelligent tutoring, translation tools, speech-to-text, demand forecasting, learner support, curriculum planning, administrative efficiency, micro-credentials and flexible AI skills training. It also referred to digital inequality.

6.6.4 Cambrian Training (WBL04) stated that AI can enhance teaching, learning and skills development, while also creating uncertainty around employment opportunities. It also stated that unregulated AI use could undermine work-based assessment and sector relevance. Educ8 Training (WBL01) referred to adaptive systems, intelligent tutoring, automated feedback, accessibility tools, translation, support for neurodivergent learners and AI-driven analytics.

6.6.5 CAVC (FE02) identified opportunities including personalised learning, reduced staff workload, improved assessment and diagnostics, entrepreneurial pathways and industry-relevant AI skills development. It identified threats including unequal learner access, misuse in assessments, workforce skills gaps and insufficient AI literacy. Gower College Swansea (FE01) called for a coherent and evolving national strategy for AI in post-16 education to be established. NPTC Group of Colleges (FE06) referred to personalised learning, smarter diagnostics, reducing administrative workload, enhancing teaching quality and supporting learners with additional needs. It also referred to digital exclusion in deprived and rural communities, bias and safeguarding concerns. Some submissions also described AI literacy as becoming important for workplace and civic participation (FE02, RB15).

6.6.6 Coleg Cymraeg Cenedlaethol (FE04) stated that AI can facilitate and improve bilingual learning and make it easier to provide resources in Welsh. It also referred to the importance of consistent Welsh terminology and raised concerns about identifying the use of AI in Welsh-language assessment. Natspec (TS01) stated that many AI tools are not well developed for Welsh, including a lack of Welsh dictation options in

mainstream platforms. Jisc (RPB01) also raised uncertainty about Welsh-language capability in mainstream AI tools and how Welsh language requirements should be interpreted in practice.

6.6.7 Adult Learning Wales (ACL01) referred to embedding AI within curriculum and delivery in a balanced and responsible way. Gwent ACL Partnership (ACL02) referred to personalised learning, inclusion, support for Welsh language, improved learner experience, malpractice, integrity, digital divide, inequality, data protection and GDPR. The National Centre for Learning Welsh (ACL06) stated that AI can support Welsh learning through digital learning resources and language skills practice, but that human interaction and meaningful communication remain essential.

6.6.8 ColegauCymru (RB15) referred to AI improving teaching, personalising learning, reducing workload and freeing staff for more personal contact with learners. It also stated that AI could worsen inequality if access is not equitable. RCN Wales (RB12) referred to digital fluency and critical understanding for learners in health and care, so they can use technologies safely, ethically and effectively. QAA (RPB08) referred to academic integrity and assessment design as generative AI becomes embedded in student practice. Jisc (RPB01) referred to AI-powered tools being used to generate lesson plans, quizzes and teaching aids, with teachers able to devote more time to student interaction. University of South Wales (HE02A) raised the need for clear policies on acceptable use, accountability, honesty, integrity and data governance. Universities Wales (RB09) referred to cyber security, secure data environments, staff development and pedagogic redesign as part of effective AI adoption.

6.7 Tensions

This section sets out tensions identified across the submissions as a whole. Some were described directly by individual respondents; others emerge from comparing views expressed in different submissions. They summarise what respondents said and are not Welsh Government policy positions.

6.7.1 Subject domain knowledge vs transferable skills: submissions supported stronger alignment with employer and regional skills needs, while also emphasising learner choice, transferable skills and long-term system resilience.

6.7.2 Benefits of specialisation and clustering vs local access: some submissions stated that specialisation and clustering could build critical mass, improve efficiency and strengthen links with regional economic priorities. Others cautioned that concentrating provision in particular institutions or locations could reduce learner choice and make courses less accessible, particularly for learners who depend on local provision or face transport barriers.

6.7.3 Private economic benefits vs broader benefits: earnings and employment data do not capture all outcomes valued by submissions.

6.7.4 AI innovation vs equity and integrity: digital adoption needs safeguards, investment and staff/learner support.

6.7.5 Concentrating research capacity while widening its benefits: some submissions supported building specialist research strengths and clusters to create critical mass and support place-based growth (RB06; RB11). Others emphasised that research and innovation support should also reach SMEs, public services, social enterprises and communities outside established innovation hubs (FE01; RB13, RB14).

6.7.6 Data ambition vs data gaps and safeguards: submissions supported better linked longitudinal data, but also raised gaps for specific learner groups, limitations of earnings data and barriers linked to data sharing. This means submissions requested better linked data but also recognised that some data are missing.

6.8 Areas of broad alignment and divergence in the submissions.

The submissions showed broad agreement on several principles, although this did not necessarily indicate agreement on how they should be implemented.

6.8.1 There was broad agreement that provision should be better informed by labour-market and regional skills signals.

6.8.2 Submissions broadly agreed that research, innovation and knowledge exchange are important to private and social outcomes.

6.8.3 Submissions agreed that outcome measures should go beyond earnings alone.

6.8.4 Submissions agreed that AI adoption should be managed carefully, with attention to assessment integrity, bias, safeguarding and digital exclusion (FE02, FE06). Submissions broadly agreed that specialisation should be evidence-led and balanced against learner access.

6.8.5 There was broad alignment that better data is needed on learner journeys, destinations, employment outcomes, regional patterns and wider outcomes. However, submissions differed in how far LEO-style earnings data should be used as a measure of value.

6.9 Areas suggested in submissions for policy consideration

6.9.1 Align qualifications, apprenticeships and provision with labour market signals, Regional Skills Partnership intelligence, regional economic priorities and sector-specific workforce needs (WBL02, WBL04, FE06).

6.9.2 Develop outcome measures that go beyond earnings and include progression, sustained employment, distance travelled, equity, Welsh-medium outcomes, public service value and wider social benefits (FE01, HE10, ACL01).

6.9.3 Improve linked longitudinal data across FE, HE, work-based learning and administrative datasets, together with the data-sharing arrangements and safeguards submissions identified as necessary. Swansea ACL Partnership (ACL04) stated that being unable to share learner data across the partnership because of GDPR is a barrier to tracking learner progression, and that an updated LLWR privacy notice including a data-sharing agreement that all partnerships could use would help to overcome this. Submissions also raised the need for attention to learner groups not well captured in current datasets (WBL02, ACL04, TS01, RPB01).

6.9.4 Support collaborative research, applied innovation, stage-gated funding, FE-led innovation capacity and SME access to research and innovation support (FE01, RB04, RB14).

6.9.5 Develop regional clusters where these build on regional strengths, while protecting local access, learner choice and the spread of new ideas and practice into communities and firms (RB13, RB11, RPB08).

6.9.6 Support Welsh language workforce planning by improving data on Welsh language skills needs and aligning Welsh-medium or bilingual provision with sectors where Welsh language skills are required (ACL06, FE04, RPB06).

6.9.7 Develop national AI guidance covering acceptable use, assessment integrity, data governance, cyber security, staff development, Welsh-language capability, digital inclusion and responsible adoption (HE02A, RB09, RPB01).

7. Challenge 3: Financial sustainability

7.1 This section covers financial sustainability including learner financial barriers and support, cost pressures and sustainability challenges, efficiency and delivery models, cost savings and system efficiencies, returns on investment, and capital investment and infrastructure.

7.2 Financial barriers and support for learners

7.2.1 Submissions referred to financial barriers affecting access, retention and progression. These included transport, accommodation, childcare, equipment, digital access, food, course materials, maintenance costs, apprenticeship wages and wider cost-of-living pressures. Several submissions described these costs as combined, with financial barriers affecting whether learners can start, continue or progress in learning.

7.2.2 Training provider submissions referred to costs affecting apprentices and work-based learners. NTFW (WBL03) referred to transport costs, low apprenticeship wages, equipment and digital access costs, childcare costs, caring responsibilities, and loss of benefits or household income. Cambrian Training (WBL04) referred to rural

connectivity, higher travel costs, workwear, uniforms, paid meals, short-term loans and wage advances. Educ8 Training (WBL01) referred to transport, equipment, low apprenticeship wages, childcare, digital access and reduced household income. CITB Cymru (EI01) stated that funding caps can delay or prevent access to provision, leading some learners into alternative employment rather than training pathways. VTCT Skills (WBL02) specifically suggested subsidised transport for learners, including bus and taxi provision where public transport is not available.

7.2.3 Several submissions referred to transport. University of South Wales (HE02) described transport costs as a repeated barrier to participation in FE and HE and referred to a 'postcode lottery' for post-16 transport. Carmarthenshire County Council (LA01) stated that transport costs are a major barrier at post-16. Coleg Gwent (FE08) referred to long journey times, several bus changes, lack of trains in some areas and transport costs. St David's Catholic College (FE09) referred to daily travel costs as a financial burden for lower-income learners. UCAC (RB08) also raised transport costs for pupils in Welsh-medium schools who need to travel for tertiary education.

7.2.4 Student submissions referred to living costs and maintenance support. NUS Wales (SO01) referred to financial pressures, maintenance support, transport and accommodation. The HE Students Union (SO02) cited the Welsh Student Tracker survey, stating that 86% of learners said the cost of living had negatively affected their studies. It also referred to learners having nothing left or being in overdraft after essential costs, students skipping meals because of rent and housing costs, and missed in-person classes because of transport costs. The HE Students Union (SO02) also raised concern that means-testing total support could reduce support for some learners and referred to the income threshold for maximum grant having been frozen since 2018.

7.2.5 Higher education submissions referred to student affordability. Cardiff University (HE06) referred to student cost of living, an increase of around 29% in students requiring funding advice, students working substantial hours, and more students living at home and commuting. It also referred to NHS Wales Bursary Scheme students navigating complicated funding systems and making decisions without confirmed funding. Cardiff Metropolitan University (HE05) referred to transport, housing costs, rents, the Welsh maintenance support package and more students working during their studies. Cardiff University's additional submission (HE06A) referred to less well-off students carrying debts for much of their working lives. GW4 (RB04) raised a specific gap for postgraduate students, noting that Masters and PhD students are ineligible for childcare grants and may also be ineligible for childcare benefits unless they are in substantial paid employment.

7.2.6 Adult learning submissions referred to fees, travel, childcare and equipment. Adult Learning Wales (ACL01) stated that even modest fees can deter engagement and that learners do not always understand fee remission. Gwent ACL Partnership (ACL02) referred to the loss of Shared Prosperity Fund (SPF) funding affecting

engagement activities and one-to-one support for people with multiple barriers to learning. Learning and Work Institute (RB02) referred to cost, travel and childcare barriers affecting adult community learning.

7.3 Cost pressures and sustainability challenges

7.3.1 Submissions described cost pressures affecting teaching, learner support, staffing, estates, specialist provision, Welsh-medium provision, research, qualifications and flexible learning. Several submissions also linked sustainability pressures to inflation, pay costs, compliance requirements, recruitment and retention, and short-term funding cycles.

7.3.2 Training provider submissions referred to rising delivery costs and limited funding uplifts. NTFW (WBL03) referred to rising delivery costs in science, technology, engineering and mathematics (STEM) and resource-intensive areas and to administrative and compliance burdens. Cambrian Training (WBL04) stated that work-based learning providers had not received an uplift to reflect rising costs. It also referred to wage parity requirements and increased employer costs linked to National Insurance contributions. Educ8 Training (WBL01) referred to rising costs in STEM and resource-intensive areas.

7.3.3 FE submissions referred to inflation, growth, staffing, learner support and high-cost provision. CAVC (FE02) referred to high-cost subjects, including engineering, creative arts and STEM, where small cohorts make delivery financially challenging. It also stated that FE is operating with 2018-level non-pay funding despite significant cost inflation. St David's Catholic College (FE09) stated that it was operating above funded capacity, with more than £1.6 million of unfunded learners. Coleg Gwent (FE08) referred to changing learner needs, exam access arrangements, consumables for vocational courses, and the need for inflationary increases in the full-time funding model. ColegauCymru (RB15) also referred to recruitment and retention difficulties, particularly in vocational areas where industry can offer higher pay.

7.3.4 Welsh-medium provision was described as carrying additional costs. Cardiff University (HE06) estimated that Welsh-medium HE provision costs around £10 more per credit than English-medium study. Other submissions linked these additional costs to smaller cohorts and a limited pool of specialist Welsh-speaking academic staff (RB09). Cardiff Metropolitan University (HE05) referred to additional costs of Welsh-medium provision and stated that additional funding rates, or premia, needed to increase. They also stated that these additional funding rates are not available for Welsh undergraduates studying law or education, despite these being among the most popular subjects for Welsh-medium study. Coleg Cymraeg Cenedlaethol (FE04) similarly stated that funding based primarily on student numbers may not sustain subjects with lower numbers.

7.3.5 Qualification viability was also raised. Qualifications Wales (RPB05) referred to low numbers of certificates awarded and the commercial viability of qualifications for

awarding bodies. It stated that 1,093 post-16 qualifications had fewer than 100 certificates and only 20 had more than 500 certificates. It linked these low volumes to the commercial viability of qualifications for awarding bodies and also highlighted the development and implementation costs associated with qualification reform.

7.3.6 Higher education submissions referred to wider financial pressures. Universities Wales (RB09) stated that costs are increasing faster than income, and that fees and funding no longer cover the cost of teaching home students or research and innovation. It also referred to declining international recruitment, erosion of tuition fee income, workforce and estates costs, and reliance on volatile income streams. Cardiff University (HE06) referred to the cost and risk of transformation, including restructuring curricula, academic portfolios and services. Cardiff Metropolitan University (HE05) reported that degree apprenticeships received £795 less funding per learner than other higher education courses, which it presented as an additional financial pressure on delivery. The Institute of Physics (RB05) and Engineering Professors' Council (RB07) also linked high-cost STEM provision to financial vulnerability, including exposure to international recruitment and visa-related pressures.

7.3.7 Research and innovation funding pressures were also raised. The Learned Society of Wales (RB11) called for re-examination of the wider funding model, including core funding for research and innovation. The Royal Society of Chemistry (RB10) referred to the gap between the costs of doing research and the income available to support it. Universities Wales (RB09) also referred to research and innovation costs not being covered by current income. GW4 (RB04) stated that collaborative research partnerships require funding for programme management, reporting and evaluation, and that providers may opt out if funding does not reflect the full economic costs of partnership working.

7.3.8 Adult learning submissions referred to weaknesses in the way adult learning is funded and planned and short-term funding. Adult Learning Wales (ACL01) stated that the most significant risk is the limited protection of part-time adult learning within current funding arrangements. Gwent ACL Partnership (ACL02) stated that increased demand could not be met because of reductions in funding. Learning and Work Institute (RB02) referred to cuts in adult learning funding and annual funding cycles hindering longer-term planning. Swansea ACL Partnership (ACL04) stated that annual pay and cost-of-living increases mean ACL is being asked to deliver more with less.

7.3.9 Trade union submissions raised pressures on staff and provision. UCU Cymru (TU04) referred to National Insurance contribution increases, international student taxes, the transition from the European Social Fund (ESF) to the Local Growth Fund (LGF) to Local Growth Fund, and a largely stagnant funding environment. NASUWT (TU03) referred to the need to consider how savings affect teachers, learners and provision.

7.3.10 The Education Workforce Council (RPB07) and National Education Union Cymru (TU05) also referred to cost pressures affecting the education workforce, including the sustainability of staffing levels and the affordability of continuing professional development.

7.3.11 UCU (TU02) and Bangor University (HE03) raised financial sustainability pressures facing the higher education sector in Wales. UCU referred to increased employer National Insurance contributions, the transition from European Structural Funds and largely stagnant funding as combined pressures on the sector. Bangor University argued that the sector's financial model is flawed and that a differentiated and comparatively underfunded funding regime leaves Wales structurally vulnerable to competitive growth elsewhere in the UK.

7.4 Efficiency, delivery models and cost savings.

Submissions used the term 'efficiency' in different ways, most often to describe reducing costs, duplication or administrative burden. Universities Wales (RB09) distinguished efficiency from reductions in activity, stating that beyond a certain point further savings require reductions in headcount or fundamental restructuring of provision, and that at that stage 'efficiency moves into contraction'. Where submissions referred to efficiency, this report reflects the sense in which they used the term.

7.4.1 Submissions referred to efficiency through blended learning, digital learning, data-informed planning, flexible delivery, employer partnership, shared services, portfolio management, procurement, recognition of prior learning and collaboration. Several submissions also stated that efficiencies should not reduce quality, learner support or access.

7.4.2 Training provider submissions referred to data, digital delivery and recognition of prior learning. NTFW (WBL03) referred to blended and digital learning, data-informed planning, stronger progression pathways, recognition of prior learning, improved digital infrastructure and streamlined data collection and reporting. It also stated that one-to-one support in work-based learning cannot be 'streamlined' without negative impact. Educ8 Training (WBL01) referred to data-informed delivery, ways of reducing waste in processes, streamlining reporting, shared delivery models and resource pooling. Cambrian Training (WBL04) referred to employer partnership and flexible delivery. Cambrian Training (WBL04) also suggested that regulatory and governance budgets may be increasing rather than decreasing, raising questions about where system efficiencies are being sought.

7.4.3 FE submissions referred to shared services and regional planning. Gower College Swansea (FE01) referred to a shared service model for back-office functions similar to NHS Shared Services, while noting possible value added tax (VAT) issues. NPTC Group of Colleges (FE06) stated that savings should be system-wide, not institution-by-institution, and referred to joint procurement, regional programme alignment, modular delivery and rationalisation of small classes through inter-college

collaboration. Coleg Gwent (FE08) referred to a tertiary setup addressing small sixth forms, economies of scale, learner choice and outcomes.

7.4.4 Higher education submissions referred to portfolio review, technology, staffing and limits to further savings. Universities Wales (RB09) stated that the scope for straightforward efficiency gains is limited and that much of what can reasonably be achieved is already embedded in university operating models. It referred to fixed and semi-fixed costs, meaning costs that cannot easily be reduced in the short term, regulatory and quality assurance requirements, and the point at which efficiency moves into contraction. Cardiff University (HE06) referred to new teaching models, technologies and pedagogical practices, reducing pay and non-pay costs, removing software licences, delaying audiovisual equipment upgrades, stopping subscriptions and recruitment freezes. Cardiff Metropolitan University (HE05) stated that staffing numbers cannot be squeezed further without damage to student-to-staff ratios. Chairs of Universities Wales (HE09) stated that cost reduction alone can only borrow time.

7.4.5 Other submissions referred to shared systems and system-wide efficiencies. University of South Wales (HE02) referred to regional hubs of excellence, shared facilities, joint teaching, coordinated programme design and shared services such as human resources, procurement and legal services. ColegauCymru (RB15) referred to consolidating purchasing power, reducing fragmentation and duplication, rationalising small sixth-form provision and collaboration across the 14 to 19 Learning and Progression Pathway. Jisc (RPB01) referred to shared procurement, collaborative digital infrastructure, cybersecurity and cloud services. QAA (RPB08) referred to efficiencies from improved learner pathways across FE, HE and work-based learning, reducing duplication of learning and supporting credit transfer. RCN Wales (RB12) supported shared facilities and digital approaches but noted that nursing education must meet Nursing and Midwifery Council (NMC) approval requirements and that nurses need to learn nursing from nurses.

7.4.6 Universities Wales (RB09) stated that many institutions have already implemented substantial efficiency measures and argued that further savings may increasingly represent contraction of activity rather than efficiency gains.

7.4.7 Some submissions stated that opportunities for further savings were limited or not available without affecting provision. Gwent ACL Partnership (ACL02) stated that there were no opportunities for cost-saving in ACL, while NEON (TS02) stated that further cost savings would be likely to affect learner choice and student experience.

7.5 Outcomes and benefits from investment in tertiary education

7.5.1 Submissions discussed the benefits of investment in tertiary education in terms of sustained employment, skills, social mobility, public services, health, wellbeing, Welsh language, research and innovation and the ensuing productivity. Submissions used different definitions of return, including private labour market returns, learner

progression, reduced demand on public services, public benefits and strategic subject capacity.

7.5.2 CITB Cymru (EI01) referred to shifting the focus of funding from enrolment and completion towards sustained employment outcomes. NTFW (WBL03) referred to funding where it delivers combined social, economic and equity returns. Educ8 Training (WBL01) referred to progression and destination outcomes, including positive employment outcomes linked to partial achievement. It also referred to investment in literacy, numeracy and digital skills, and targeted investment in work-based learning and technical pathways. NTFW (WBL03) also referred to public investment in apprenticeships and work-based routes, including a redesigned wage subsidy for SMEs, as offering returns through recruitment, progression and business growth.

7.5.3 Adult Learning Wales (ACL01) referred to movement into volunteering, further learning, increased qualifications, confidence, resilience and wellbeing. Learning and Work Institute (RB02) referred to adult learning improving economic growth, productivity, health and wellbeing, social cohesion and civic participation. Carmarthenshire County Council Community Learning (ACL03) stated that Essential Skills and ESOL should be prioritised in community adult learning as a foundation for progression and further learning.

7.5.4 Universities Wales (RB09) described Welsh universities as national assets delivering economic and social benefits across Wales, including, innovation, skills, regional development, public-service pipelines and social mobility and the resultant productivity increases. The Learned Society of Wales (RB11) cited research estimating that every £1 of public research and innovation funding generates £7 in economic benefits, and separately, stated that the total economic impact of Welsh universities is £10.97 billion.

7.5.5 RCN Wales (RB12) referred to support for nursing courses helping attract more people into a safety-critical profession that saves lives and generates societal value. Coleg Cymraeg Cenedlaethol (FE04) referred to using direct and indirect support to achieve policy priorities, including Welsh-medium provision and professional health workers with Welsh language skills. The British Academy (RB06) referred to the value of humanities, social sciences and arts in public life, skills and wider social outcomes. NEON (TS02) referred to wider benefits of education beyond labour market outcomes, including physical and mental health benefits. Swansea ACL Partnership (ACL04) also referred to community cohesion, reduced social isolation and improved health and wellbeing for older learners.

7.6 Capital investment and infrastructure

7.6.1 Submissions referred to estates, digital infrastructure, specialist facilities, laboratories, technical equipment, community venues, decarbonisation, net-zero infrastructure, teaching spaces, learner support spaces and shared facilities.

7.6.2 Training provider submissions raised access to capital funding. Cambrian Training (WBL04) stated that work-based learning had previously been excluded from Digital Transformation Grants and that independent training providers receive none of this capital support. Educ8 Training (WBL01) referred to digital infrastructure, virtual learning environments, specialist facilities aligned to priority sectors, shared estate models and agile or mobile capital investments. NTFW (WBL03) referred to virtual learning environments, simulation tools, AI and virtual reality, industry-standard facilities and inclusion of independent training providers. Cambrian Training (WBL04) suggested that capital investment should follow the learner rather than the institution type.

7.6.3 FE submissions raised estates and specialist facilities. Gower College Swansea (FE01) stated that the key barrier in capital investment is the 35% match funding requirement attached to Sustainable Communities for Learning. NPTC Group of Colleges (FE06) referred to FE estates, reactive maintenance, modernised facilities in Powys, digital infrastructure, net-zero estate transformation, Welsh-medium teaching environments and specialist equipment. St David's Catholic College (FE09) referred to teaching room utilisation, specialist facilities, social areas, student support and wellbeing spaces, and digital infrastructure. Coleg Gwent (FE08) referred to category C buildings, estates strategies, energy and maintenance costs, and staff development.

7.6.4 Higher education submissions referred to historic estates, capital funding and research infrastructure. Swansea University (HE01) referred to backlog maintenance, space optimisation, decarbonisation, research and innovation facilities, and teaching and learning spaces. Cardiff University (HE06) referred to changing work and teaching patterns, modernising teaching and research facilities, environmental sustainability, asset disposal and a funding mechanism for larger-scale infrastructure. Universities Wales (RB09) stated that capital funding for HE in Wales has been persistently lower than in other parts of the UK. Cardiff Metropolitan University (HE05) referred to decarbonisation, waste reduction, research priorities tied to an industrial strategy and digital infrastructure. Royal Society of Chemistry (RB10) referred to reductions in budgets for research infrastructure, subject-specific teaching infrastructure, equipment and facilities maintenance.

7.6.5 Submissions identified different capital requirements by subject and place. The Engineering Professors' Council (RB07) referred to stable capital investment in individual and shared laboratories and technical infrastructure. The Royal Society of Chemistry (RB10) stated that chemistry depends on specialist facilities, equipment and specialist skills. Carmarthenshire County Council (LA01) referred to small, flexible sites for local and rural needs, shared community venues, sensory-friendly and inclusive learning spaces and satellite specialist college spaces. Make UK (TS05) stated that engineering and manufacturing training relies on capital investment in equipment and machinery for learners to use.

7.6.6 Ceredigion County Council (LA05) referred to upgrading learning infrastructure, maintaining ageing buildings, expanding digital infrastructure and strategic subject facilities. Adult Learning Wales (ACL01) described adult and community learning capacity as system-critical infrastructure. EAUC (TS03) referred to sustained capital investment, innovative financing, decarbonisation, adaptation and resilience. Natspec (TS01) stated that capital investment in specialist colleges should address a gap in the current system for learners with complex, low-incidence needs.

7.7 Tensions

This section sets out tensions identified across the submissions as a whole. Some were described directly by individual respondents; others emerge from comparing views expressed in different submissions. They summarise what respondents said and are not Welsh Government policy positions.

7.7.1 Learner support vs institutional sustainability: both were raised as important, but they draw on the same constrained funding environment.

7.7.2 Efficiency vs quality and access: several submissions supported efficiency and collaboration, but cautioned that further savings could affect contact time, learner support, staffing, student experience, curriculum breadth or professional requirements.

7.7.3 Flexibility vs cost: modular, part-time and community provision may improve access but can be resource intensive.

7.7.4 Private labour market returns vs social benefits: submissions valued employment outcomes but also wellbeing, cohesion and public-service contribution.

7.7.5 Capital investment vs revenue stability: infrastructure investment needs to sit alongside sustainable delivery funding.

7.7.6 Universal support vs targeted support: submissions raised the importance of learner financial support but differed in emphasis between protecting broad-based maintenance support and targeting support towards learners facing the greatest barriers.

7.8 Areas of broad alignment and divergence in the submissions

7.8.1 Across the evidence, submissions showed broad alignment on several principles, although respondents differed in the emphasis placed on them and how they should be implemented.

7.8.2 A recurring concern across submissions was that financial barriers can constrain learner participation and retention.

7.8.3 Submissions commonly argued that funding models should better reflect the real costs of different types of provision.

7.8.4 There was broad support for longer-term and more stable funding to improve providers' ability to plan.

7.8.5 Submissions commonly identified collaboration as a potential means of improving efficiency, while also emphasising that collaboration requires sufficient resources, capacity and initial investment.

7.8.6 Submissions also indicated that investment decisions should consider both private labour market outcomes and wider public and social outcomes.

7.8.7 There was broad alignment that capital investment is needed for estates, digital infrastructure, specialist facilities and decarbonisation. However, submissions differed in where capital support should be prioritised, including FE estates, HE research infrastructure, independent training providers, specialist colleges and community-based provision.

7.8.8 There was variation in views on the scope for further efficiencies. Some submissions identified shared services, procurement, digital delivery and collaborative provision as possible areas for savings, while others argued that further savings would directly affect learner experience, quality or access.

7.9 Areas suggested in submissions for policy consideration

7.9.1 Target learner support towards transport, maintenance or hardship, childcare, equipment, digital access, apprentice wages and wellbeing or pastoral support where these affect participation, retention and progression (WBL03, RB15, SO01).

7.9.2 Review specific gaps in learner support, including postgraduate childcare support, apprentice bursaries or wage support, and costs affecting rural, commuting and Welsh-medium learners who need to travel further to reach provision (RB04, WBL04, RB08).

7.9.3 Use multi-year, inflation-sensitive or index-linked funding settlements where these support planning, delivery stability and responsiveness to local demand (ACL02, RB02, RB09).

7.9.4 Review funding models so they better reflect the cost of high-cost, small-cohort, Welsh-medium, work-based, adult, community-based and specialist provision (FE04, HE05, ACL03, RB07).

7.9.5 Support shared services, joint procurement, shared facilities, collaborative delivery and digital infrastructure where these protect quality, learner access and professional requirements (FE06, RPB01, RB12).

7.9.6 Use recognition of prior learning, clearer progression pathways and coordinated provision to reduce unnecessary repeat learning and improve learner movement across the system (WBL03, RPB08).

7.9.7 Broaden access to capital investment for providers delivering strategic, specialist or hard-to-reach provision, including independent training providers, specialist colleges, community provision and high-cost technical facilities (WBL04, TS01, TS05).

7.9.8 Also consider returns on investment in broad terms, including sustained employment, progression, public benefits such as Welsh language outcomes, community cohesion, wellbeing and research and innovation spillovers (EI01, ACL04, FE04, RB11).

8. Challenge 4: Demographic change and lifelong learning

8.1 This section summarises what submissions said about demographic change and lifelong learning. It covers demographic change and system preparedness, barriers to lifelong learning, flexible learning, adult skills need, and adult learning policy and priorities.

8.2 Demographic change and system preparedness

8.2.1 Submissions referred to demographic change in relation to changes in the number of younger learners, an ageing population, regional variation, workforce demand, adult participation and changing learner needs.

8.2.2 Responding to the demographic projections set out in the call for submissions, ColegauCymru (RB15) argued that lower growth or a decline in the number of young learners could reduce full-time enrolments without producing an equivalent reduction in providers' costs. It also linked an ageing population and longer working lives to increased demand for adult learning, upskilling and basic skills provision.

8.2.3 Adult Learning Wales (ACL01) stated that declining 16 to 18 cohorts, an ageing workforce and economic volatility mean that future participation growth may increasingly come from adults rather than young full-time learners. It also stated that current funding and planning assumptions remain weighted towards young, full-time participation, creating a mismatch between system design and future demographic need. This means the way provision is funded and planned may not fit future demand. The Learning and Work Institute (RB02) similarly emphasised the importance of opportunities for people already of working age, both in and out of work, to improve qualifications and skills.

8.2.4 Training provider submissions linked demographic change to workforce demand. NTFW (WBL03) stated that providers are planning for projected decline in the youth population during the 2030s, with a stronger emphasis on lifelong learning, workforce upskilling and employer-driven pathways. Cambrian Training (WBL04) stated that planning for demographic change is guided by workforce demand in local and regional

sectors, labour-market changes and structured partnerships with industry bodies. Educ8 Training (WBL01) referred to expanding accessible routes at lower and higher levels to support adults returning to study and developing new skills in roles as the population ages.

8.2.5 Several submissions referred to regional and local variation. UWTSD (HE04) stated that changes in 16 to 18 demographics would vary by local authority and that planning should be guided by the educational profile in each area. Vale of Glamorgan Council (LA02) referred to projected declines in 16 to 18 populations from 2028 onwards and stated that planning must balance immediate growth with medium-term demographic contraction. Ceredigion County Council (LA05) referred to rural areas and maintaining curriculum offers across dispersed communities. QAA (RPB08) stated that demographic change is likely to place greater pressure on providers to plan across regions, subjects and modes of delivery.

8.2.6 Adult community learning submissions referred to older learners and ESOL learners. Swansea ACL Partnership (ACL04) stated that little in the evidence paper related to learners beyond working age and referred to ACL classes enabling learners to remain mentally active and engaged during retirement. Gwent ACL Partnership (ACL02) stated that older learners are well represented in ACL and that there has been a large increase in learners whose first language is not English.

8.2.7 RCN Wales (RB12) referred to an ageing population and increasing demand for health and social care services. It stated that these trends will require sustained investment in the health and social care workforce. QAA (RPB08) stated that policy development should support providers to plan for demographic change through system-level data sharing and insight, alignment between funding and demand, and coordination of provision across regions. Make UK (TS05) also raised concern about the capacity of the training provider sector in Wales to deliver the skills industry needs at lower and higher levels.

8.3 Barriers to lifelong learning

8.3.1 Submissions referred to barriers linked to funding rules, learner support, transport, childcare, course materials, employer release, administrative complexity, entry requirements, recognition of prior learning, credit transfer, learner data, and access to information. Recognition of prior learning means accepting relevant learning or experience a learner already has. Credit transfer means allowing learning completed in one place to count towards learning elsewhere.

8.3.2 CITB Cymru (EI01) stated that funding constraints, including limits on apprenticeship places, reduce the system’s ability to respond to employer demand. It also stated that programme structures are often inflexible, with long durations and limited modularity, making them less accessible to adult learners and those in employment.

8.3.3 Training provider submissions raised funding and regulatory barriers. VTCT Skills (WBL02) referred to lack of funding, entry requirements and the need to improve the flexibility and clarity of funding for adult learning. NTFW (WBL03) stated that the current system is not designed for flexible, modular or all-age learning. Modular learning means shorter units of learning that can be built up over time. It referred to funding models that prioritise full-time, linear programmes, fragmented eligibility rules across FE, HE and work-based learning, lack of recognition of prior learning and legislative constraints.

8.3.4 Cambrian Training (WBL04) called for multi-year funding certainty, equitable learner support funding, reform of apprenticeships to allow flexibility and innovation, and implementation of the Medr regulatory framework in a way that recognises the distinct nature of apprenticeships. It also referred to one-year contracting arrangements, additional administrative burden, prescriptive maths and English requirements, and lack of dedicated funding for learner support.

8.3.5 Educ8 Training (WBL01) stated that the system is fragmented, with funding and eligibility rules limiting learner movement across FE, HE and work-based learning. It also referred to lack of recognition of prior learning, duplication, and legislative barriers affecting access to parts of apprenticeship programmes.

8.3.6 Adult community learning submissions referred to funding and data barriers. Carmarthenshire County Council Community Learning (ACL03) stated that funding based on learner hours, or tariff, can be difficult to manage for lower-level Essential Skills and ESOL learners, and that small ACL provision does not have the economies of scale that FE can benefit from. Economies of scale means the savings larger providers may achieve by delivering to more learners. Swansea ACL Partnership (ACL04) stated that annual pay and cost-of-living increases mean ACL is being asked to deliver more with less. It also referred to GDPR and learner data-sharing barriers across the partnership. Rhondda Cynon Taf (ACL05) stated that ACL is funded annually and that longer-term funding would provide better strategic planning.

8.3.7 Adult Learning Wales (ACL01) stated that lifelong learning is constrained by affordability and logistics, including transport, childcare, course materials and employer capacity to release staff. It also referred to funding rules that disadvantage part-time, modular and community-based provision. Gower College Swansea ACL (ACL07) referred to workforce development and professional learning needs for community-based practitioners and specialist tutors. Cwmpas (RB13) also referred to psychological or cultural barriers that some adults may face in traditional institutional settings.

8.3.8 Adult Learning Wales (ACL01) identified employer capacity to release staff for training as a significant barrier to lifelong learning, particularly where employers face workforce shortages or operational pressures.

8.3.9 Student and third sector submissions also raised access barriers. NUS Wales (SO01) referred to transport, childcare and balancing study with work. Natspec (TS01) referred to legislative and administrative barriers for learners with complex additional learning needs, including what it described as ambiguity in the Additional Learning Needs Code for Wales 2021 (the ALN Code), inconsistent information on post-16 options, and transport difficulties once specialist college funding has been agreed. The British Academy (RB06) referred to financial disincentives to faster progression, reduced eligibility for benefits and council tax discounts while studying, and negative experiences as a non-traditional learner.

8.3.10 UNISON (TU01) stated that difficulties in credit transfer are compounded by administrative systems that do not communicate effectively across institutions, creating barriers for learners moving between levels and providers.

8.3.11 Several submissions referred to credit transfer and recognition of prior learning. UWTSD (HE04) stated that recognition of prior learning is not always applied consistently, particularly for apprenticeship provision. NTFW (WBL03) referred to supporting credit transfer and recognition of prior learning. UNISON (TU01) stated that administrative systems often do not ‘talk’ to each other, making credit transfer difficult for learners moving from Level 3 to Level 4.

8.3.12 Employer capacity was also raised. NCUB (RB03) stated that employer investment in skills and training is declining across the UK, affecting opportunities for lifelong learning. It referred to constrained capacity and recruitment cost increases limiting the ability of businesses, particularly SMEs, to invest in training.

8.4 Flexible learning

8.4.1 Submissions referred to flexible learning in relation to part-time study, modular provision, blended learning, work-based learning, online delivery, evening and weekend learning, credit transfer, recognition of prior learning, and opportunities to enter, exit and re-enter learning. Blended learning means combining online and in-person learning.

8.4.2 Training provider submissions referred to modular and work-based provision. NTFW (WBL03) called for modular, stackable learning across FE, HE and work-based learning, flexible and modular learning at lower and higher levels, credit transfer, recognition of prior learning, and reduced administrative complexity. It also referred to short, targeted training for adults without committing to full qualifications. Cambrian Training (WBL04) referred to flexible models that allow adults to retrain while working, including modular qualifications, recognition of prior learning, evening, weekend, online and blended delivery. Educ8 Training (WBL01) stated that a more modular, learner-centred funding system is needed to reflect real career pathways.

8.4.3 Higher education submissions referred to flexible and part-time study. University of South Wales (HE02) referred to learners being able to move in and out of learning as their careers develop. The Open University in Wales (HE07) referred to part-time and distance learning that enables learners to study alongside work and other responsibilities. Universities Wales (RB09) stated that mature and part-time participation play a critical role in workforce adaptation and mid-career skills development. The HE Students Union (SO02) stated that Wales' part-time maintenance support is one of the strengths of the Diamond system and linked it to flexible study.

8.4.4 FE and college submissions referred to flexible routes, local provision and changing learner needs. ColegauCymru (RB15) stated that adult learners need flexible entry routes for basic skills and reskilling, and that colleges should support learners to reach Level 3 and access flexible provision at Levels 4 and 5. Gower College Swansea (FE01) referred to transport, childcare and financial constraints preventing adults from taking part in learning. Carmarthenshire County Council (LA01) referred to a model based on smaller qualifications being wrapped together to create degrees.

8.4.5 Adult learning submissions described flexible provision as central to adult participation. Adult Learning Wales (ACL01) stated that Section 94 cannot be delivered without sufficient part-time, community-based and flexible adult learning capacity. It referred to adults entering, exiting and re-entering learning throughout their lives. The National Centre for Learning Welsh (ACL06) referred to flexible pathways and learning opportunities for adults, including part-time, workplace and professional development routes. Gwent ACL Partnership (ACL02) referred to flexible, place-based provision and seamless progression routes across the system.

8.4.6 Professional and subject-specific submissions also referred to flexible routes. RCN Wales (RB12) stated that learners encounter barriers because of limited flexible study routes and unclear progression pathways between FE and HE. The Engineering Professors' Council (RB07) called for modular and stackable engineering qualifications to support lifelong learning and workforce transitions. The Federation of Awarding Bodies (RB01) also noted that adult learners may already be working and trying to fit study around this.

8.5 Adult skills needs

8.5.1 Submissions referred to adult skills needs in literacy, numeracy, digital skills, Welsh language skills, vocational skills, employability, upskilling, reskilling and workforce transitions.

8.5.2 NTFW (WBL03) stated that improving adult literacy, numeracy and digital capability was important for employability, productivity and social inclusion. It also stated that current approaches, particularly within Essential Skills, can act as a barrier rather than an enabler. Cambrian Training (WBL04) stated that learners leave compulsory education without strong literacy, numeracy or digital competence, and

called for contextualised learning that embeds these skills directly into vocational practice. Contextualised learning means teaching basic skills through practical examples linked to a learner's course or job. VTCT Skills (WBL02) referred to reform across engagement, delivery, funding, guidance, data, collaboration and Welsh-medium provision. Educ8 Training (WBL01) also stated that Essential Skills assessment can be rigid and not aligned to vocational delivery.

8.5.3 FE and HE submissions referred to foundational and vocational skills. St David's Catholic College (FE09) referred to workers needing to retrain later in life and learners needing support to develop foundational skills alongside academic programmes. UWTSD (HE04) stated that upskilling and reskilling will become more important and that a significant proportion of learners entering FE will not have English or Welsh language and mathematics GCSEs at grade C/4 or above. Coleg Gwent (FE08) referred to contextualised upskilling opportunities for post-19 learners and to apprenticeships as a way to upskill people and contribute to the local economy.

8.5.4 Welsh language skills were raised by several submissions. The National Centre for Learning Welsh (ACL06) referred to adults developing Welsh language skills as part of work, and to opportunities for adults to develop basic skills such as literacy, numeracy and digital literacy. Coleg Cymraeg Cenedlaethol (FE04) referred to the need to consider skills in Welsh rather than automatically referring to English. The Welsh Language Commissioner (RPB06) stated that policy will need to focus increasingly on flexible and part-time opportunities for learners of all ages and levels, especially those already in work, including opportunities to develop Welsh language skills.

8.5.5 Trade union and representative body submissions referred to basic skills and workplace learning. UNISON (TU01) stated that more students now arrive at college without GCSE maths and English, and that colleges need time, teachers, support staff and space for resits. It also stated that learners may feel more comfortable if basic skills learning is offered in a work environment. UCAC (RB08) stated that literacy, numeracy and digital literacy are key for life in the 21st century, alongside opportunities to improve vocational skills. Make UK (TS05) stated that functional skills content and structure should be flexible enough for employers and providers to make learning relevant to specific occupations.

8.5.6 Several submissions linked adult skills to the economy and public services. RCN Wales (RB12) referred to literacy and numeracy, digital and data fluency, and leadership capability in health and care. Make UK (TS05) referred to skills needs for manufacturing. EAUC (TS03) referred to green skills and sustainability. Jisc (RPB01) referred to digital capability and digital skills. EAUC (TS03) also linked foundational skills to climate literacy and sustainability competencies.

8.6 Adult learning policy and priorities

8.6.1 Submissions discussed adult learning policy in relation to Section 94, Personal Learning Accounts, adult and community learning, provision below Level 2, including Entry and Level 1 courses, vocational routes, Welsh language learning, employer demand and sustained infrastructure. Personal Learning Accounts (PLAs) are funded learning opportunities for eligible adults to develop job-related skills.

8.6.2 Adult Learning Wales (ACL01) stated that Section 94 of the Tertiary Education and Research (Wales) Act establishes a statutory duty to secure proper facilities for adult further education and training. In simple terms, this relates to ensuring suitable adult learning opportunities are available. It described Section 94 as being about participation: ensuring that adults can access learning that is available, suitable and sufficient. It stated that Section 94 reinforces adult participation as a permanent and integral feature of the tertiary system, not a residual one. It also stated that Section 94 cannot be delivered if funding approaches disadvantage part-time, community-based provision or fail to recognise the true cost of rural provision, small groups and outreach.

8.6.3 ColegauCymru (RB15) stated that Section 94 could support a shift in emphasis and would be an important step towards a new approach to lifelong learning. The National Centre for Learning Welsh (ACL06) stated that regulations made under Section 94 should coincide with the wider legislative framework. The Welsh Language Commissioner (RPB06) stated that Section 94 and wider lifelong learning policy should support opportunities to develop Welsh language skills across different ages and levels. Natspec (TS01) stated that adults with complex ALN and learning disabilities should be explicitly included when defining ‘proper facilities’ for further education and training.

8.6.4 Several submissions referred to Personal Learning Accounts. CITB Cymru (EI01) recognised the value of flexible, demand-led approaches such as Personal Learning Accounts. NTFW (WBL03) stated that PLA has been successful because it is flexible and modular, and called for it to be expanded to include all tertiary providers and to allow PLA modules to be used as funded optional elements within apprenticeship pathways. VTCT Skills (WBL02) called for increased availability of PLA by adding more courses, increasing funding and reducing barriers such as income thresholds. Educ8 Training (WBL01) also described PLA as effective because it is flexible and responsive to employer need.

8.6.5 Adult Learning Wales (ACL01) described Personal Learning Accounts and occupational qualifications as supporting adults in work, or seeking work, to develop job-related skills. Learning and Work Institute (RB02) stated that PLA had increased part-time FE learners and suggested considering expansion into ACL and a wider range of courses. EAUC (TS03) stated that PLA had demonstrated strong demand for adult training opportunities and supported access to training aligned with priority sectors. Cardiff Metropolitan University (HE05) stated that PLAs are not available for higher education.

8.6.6 Submissions also referred to community-based learning and engagement routes. Adult Learning Wales (ACL01) referred to engagement, foundational and accredited provision. Gower College Swansea ACL (ACL07) referred to ACL as a gateway into FE, work-based learning, HE and employment. The King's Trust Cymru (TS07) referred to youth engagement, confidence-building and progression. Natspec (TS01) referred to pathways for young people with complex needs and better destinations data. Gwent ACL Partnership (ACL02) described adult and community learning as important to tackling poverty, improving wellbeing and widening participation.

8.6.7 The Education Workforce Council (RPB07) raised adult learning policy and priorities from a workforce perspective, including the implications of policy change for the recruitment, registration and professional development of staff delivering adult learning.

8.7 Tensions

This section sets out tensions identified across the submissions as a whole. Some were described directly by individual respondents; others emerge from comparing views expressed in different submissions. They summarise what respondents said and are not Welsh Government policy positions.

8.7.1 Access vs sustainability: widening access must be balanced with provider viability, especially in rural areas and high-cost provision.

8.7.2 Flexibility and system design: modular and part-time delivery were valued, but submissions said funding and regulation do not always support them.

8.7.3 Youth provision and adult demand: submissions raised the need to protect 16 to 18 provision while also responding to demand for adult learning and reskilling.

8.7.4 Competition vs collaboration: demographic pressure may intensify competition, while sustaining provision increasingly depends on partnership working.

8.7.5 Local responsiveness vs national coordination: place-based flexibility is valued but depends on coherent national funding, data and planning.

8.7.6 Employer demand vs employer capacity: submissions linked lifelong learning to workforce need but also raised declining employer investment and limited SME capacity to support training.

8.7.7 Foundational skills and assessment: submissions valued literacy, numeracy and digital skills, but some raised concern that current Essential Skills approaches can become barriers where they are not linked to vocational learning.

8.8 Areas of broad alignment and divergence in the submissions

8.8.1 There was support for a lifelong learning system that helps people learn throughout working life, while also recognising wider adult learning where this was raised in submissions.

8.8.2 Submissions supported flexible and modular provision, including part-time and work-based learning routes.

8.8.3 Submissions raised concern about funding and regulatory mismatch, especially where this limits responses to demographic change.

8.8.4 Importance of workforce-related skills and reskilling, linked to economic and labour market change.

8.8.5 Learner profiles are becoming more varied, including adult returners, employed learners, learners with foundational skills gaps, ALN learners and learners facing practical or support barriers.

8.8.6 There was broad alignment that adult learning should include foundational, vocational, digital and Welsh language skills, not only higher-level reskilling.

8.8.7 There was variation in emphasis between submissions focused on labour-market responsiveness and those stressing wider benefits such as wellbeing, confidence, social inclusion, community participation and learning beyond working age.

8.8.8 There was also variation in how submissions framed demographic change. Some focused on projected decline in younger cohorts, while others emphasised lower-level complex trends include current increases in demand, regional variation, ageing populations, ESOL growth and adult participation.

8.9 Submission-suggested areas for policy consideration

8.9.1 Expand and adapt modular, buildable and credit-based learning, including micro-credentials, recognition of prior learning and credit transfer, to support non-linear progression (WBL03, RB07, SO02).

8.9.2 Reform funding models to better support part-time, community-based, flexible and work-based provision, including multi-year funding and reduced reliance on full-time linear assumptions (ACL01, ACL05, RB09).

8.9.3 Strengthen adult learner support, including transport, childcare, course materials, financial support, employer release and accessible information (SO01, RB06, ACL01).

8.9.4 Improve coordination across FE, HE, adult learning and work-based learning, including clearer progression pathways, integrated planning and shared learner data arrangements where appropriate (TU01, RPB08, ACL04).

8.9.5 Develop community-based and place-based provision, particularly for rural areas, disadvantaged communities, adults lacking confidence and learners not ready to enter formal provision (ACL02, ACL07, RB13).

8.9.6 Strengthen adult foundational skills, including literacy, numeracy, digital skills, ESOL, Welsh language skills and contextualised vocational delivery (WBL01, ACL03, FE04).

8.9.7 Review Personal Learning Accounts, including possible expansion to more providers, more courses, adult community learning and funded optional elements within apprenticeship pathways (WBL02, WBL03, RB02). This was raised as a way to support more flexible adult learning.

8.9.8 Improve demographic and skills planning capability, including local demographic forecasting, labour-market intelligence, regional variation and future demand for health, care, manufacturing, green and digital skills (LA02, RB12, TS05).

9. Challenge 5: Competition and collaboration

9.1 This section focuses on competition and collaboration. It covers collaboration barriers and enablers; cross-sector collaboration between schools, FE and HE; protecting provision, subjects and transitions; market dynamics; and HE market structure and risks.

9.2 Collaboration barriers and enablers

9.2.1 Submissions referred to collaboration across providers, sectors, employers and public bodies. They also identified barriers linked to funding, accountability, governance, data sharing, capacity, competition law and institutional priorities. Several submissions described these barriers as structural rather than reflecting a lack of willingness to collaborate. Structural barriers are features of the system that can make joint working harder, even where organisations want to work together.

9.2.2 Submissions also described enablers of collaboration, including shared purpose, trust, time, capacity, shared outcomes, stable resourcing and aligned incentives. Aligned incentives means funding, targets or rules that support organisations to work towards the same outcomes. Some submissions referred to Medr, Regional Skills Partnerships, adult learning partnerships, shared services and digital coordination as potential system enablers.

9.2.3 CITB Cymru (EI01) stated that providers often operate in isolation when planning and delivering provision, leading to duplication and inefficiencies. It also referred to limited sharing of labour market intelligence as a constraint on coordinated planning. CITB Cymru also noted positive examples in construction, including shared apprenticeship models where apprentices gain experience across multiple employers.

9.2.4 Training and apprenticeship provider submissions raised structural and funding barriers. VTCT Skills (WBL02) stated that funding creates a substantial barrier to collaboration and that pathways should be learner-led rather than setting-led. NTFW (WBL03) stated that the current system creates structural barriers to collaboration despite willingness across the sector. It referred to fragmented funding methodologies, lack of shared data systems, unequal access to capital and innovation funding, and audit, compliance and contract requirements that differ between sectors.

9.2.5 Cambrian Training (WBL04) referred to unequal treatment of tertiary providers, different governance structures, accountability frameworks and funding rules. It stated that where the same qualification attracts different funding depending on who delivers it, collaboration is structurally discouraged. Educ8 Training (WBL01) referred to

funding and accountability systems incentivising competition rather than collaboration, inconsistent funding methodologies and lack of shared data systems.

9.2.6 In practical terms, these submissions described constraints including different funding rates for similar qualifications, ring-fenced budgets that exclude some providers, separate audit and compliance requirements, and data systems that do not support shared planning. This gives more detail on the types of constraints that were said to limit collaboration.

9.2.7 Adult learning submissions also raised collaboration issues. Adult Learning Wales (ACL01) stated that the main barrier is not institutional unwillingness, but structural misalignment within the system. Structural misalignment means that rules, funding or responsibilities do not fit together well across the system. It referred to the need for time, capacity and aligned incentives. Swansea ACL Partnership (ACL04) referred to learner data sharing and GDPR as a barrier to tracking progression across the partnership. Gwent ACL Partnership (ACL02) described collaboration with Coleg Gwent as previously successful but currently limited, while also stating that the partnership works collaboratively to fill gaps in provision.

9.2.8 Representative body and professional submissions referred to collaboration as important but resource intensive. ColegauCymru (RB15) stated that collaboration must have a clear purpose linked to learner and employer benefit. RCN Wales (RB12) identified funding structures, competition for students and differing institutional priorities as barriers. Universities Wales (RB09) stated that Welsh universities are highly collaborative, but that further collaboration requires sustained investment, leadership capacity, administrative resource and governance attention. The British Academy (RB06) stated that competition law and universities' status as 'undertakings' have limited some forms of collaboration between higher education providers. In this context, competition law refers to rules that can limit how organisations cooperate where they are also competing. GW4 (RB04) also stated that complex partnerships require funding for programme management, reporting and evaluation, and that providers may opt out where the full costs are not reflected.

9.2.9 Some submissions raised sector-specific collaboration barriers. Natspec (TS01) stated that separate funding and oversight for specialist colleges and FE institutions reinforces a divide between mainstream and specialist provision. UCAC (RB08) raised practical differences between schools and colleges, including recognition of teacher qualifications.

9.2.10 The Academy of Social Sciences (TS04) supported policy frameworks that actively incentivise collaboration between universities, particularly where this strengthens progression pathways and reduces unnecessary duplication. It stated that the impetus for collaboration should come from institutions themselves rather than being imposed top-down by government.

9.3 Cross-sector collaboration

9.3.1 Submissions referred to collaboration between schools, FE, HE, work-based learning providers, adult learning, employers, local authorities, third sector partners and Welsh-medium bodies. These submissions presented collaboration as a way to support learner movement between routes, rather than as an end in itself.

9.3.2 CITB Cymru (EI01) referred to FE work experience initiatives improving transitions into employment. VTCT Skills (WBL02) referred to clear alignment between schools and FE colleges, with the learner at the heart of career decisions and pathway opportunities. NTFW (WBL03) referred to partnerships between universities and training providers to deliver degree apprenticeships, Careers Wales' role in impartial information, and independent training providers being recognised as equal partners. ACT Training (FE03) referred to joint delivery of vocational programmes between schools and colleges, and partnerships between universities and training providers.

9.3.3 Several submissions focused on school, FE and 14 to 19 planning. ColegauCymru (RB15) stated that stronger collaboration between schools, colleges and local authorities would be important for supporting 14 to 16 learners. CAVC (FE02) referred to local 14 to 19 planning, data sharing and national leadership from Welsh Government and Medr. GLIM College (FE05) referred to 14 to 16 vocational provision, data sharing and regional collaboration between FE and universities. Carmarthenshire County Council (LA01) stated that collaboration between schools and FE colleges may need to start at age 14. Ceredigion County Council (LA05) referred to the Ceredigion Secondary Education Partnership, where secondary schools and lifelong learning share information about learners' selections and aspirations. Some submissions also referred to shared prospectuses, junior apprenticeships, regional alliances and coordinated curriculum planning as practical forms of cross-sector collaboration.

9.3.4 Careers Wales (RPB04) stated that there are examples of effective collaboration between schools and colleges, but that practice is inconsistent across Wales and constrained by capacity, funding and competition. Estyn (RPB02) referred to shared planning across schools, colleges and work-based learning providers to improve learner choice and progression. The King's Trust Cymru (TS07) suggested that FE colleges could work with the third sector to deliver digital confidence-building for disadvantaged learners.

9.3.5 Submissions also referred to FE and HE pathways. RCN Wales (RB12) stated that stronger collaboration between FE and HE would support clearer routes from Level 2 and Level 3 qualifications into professional programmes. The British Academy (RB06) supported collaboration between FE and HE to strengthen access to provision at Levels 4 to 6. University of South Wales (HE02) referred to strengthening HE in FE partnerships. The Open University in Wales (HE07) referred to partnerships with FE colleges to help students achieve qualifications before further study. The Open University in Wales (HE07) also noted that it operates credit transfer, but that there is no national approach to credit transfer.

9.3.6 The Open University in Wales (HE07) stated that, while credit transfer operates within some institutions, there is currently no national approach to credit transfer across Wales.

9.3.7 Student organisation submissions referred to learner journeys and student voice. NUS Wales (SO01) stated that collaboration can improve access, broaden provision and support smoother learner journeys. The HE Students Union (SO02) stated that students should be involved in decisions about restructuring or collaboration, rather than presented with decisions after they have been made.

9.3.8 Welsh-medium collaboration was raised by several submissions. Dyfodol i'r Iaith (TS08) called for more effective collaboration between FE and Welsh and bilingual schools. Coleg Cymraeg Cenedlaethol (FE04) stated that Medr should work with the National Centre for Learning Welsh. The Welsh Language Commissioner (RPB06) referred to partnerships between schools and colleges to coordinate and secure quality and extensive provision for pupils. The National Centre for Learning Welsh (ACL06) also described its delivery model as relying on close collaboration across the tertiary education sector.

9.3.9 Some school and college submissions referred to shared or digital delivery as a way to maintain subject breadth. St David's Catholic College (FE09) referred to collaborative models such as the National Catholic College, while the Catholic Education Service (SCH01) referred to shared and digital models for A-level provision.

9.3.10 Wrexham University (HE08) described itself as a civic university seeking to enable partnership working across North Wales, including with other universities, FE colleges, local industry and the public sector. It referred to its role in establishing the North Wales Tertiary Alliance and to memoranda of understanding with local partners, including Coleg Cambria and Grŵp Llandrillo Menai, exploring options including a joint venture.

9.4 Market dynamics and competition

9.4.1 Submissions referred to competition for learners, funding, staff, research income and institutional position. Some submissions stated that funding and accountability arrangements encourage competition. Competition in this section means pressures on organisations to recruit learners, secure funding or protect their own position.

9.4.2 CITB Cymru (EI01) stated that funding and accountability structures can reinforce competitive behaviour rather than collaboration. Cambrian Training (WBL04) referred to funding mechanisms that incentivise competition, ring-fenced budgets that exclude some providers, and short-term funding cycles that prevent joint planning. Adult Learning Wales (ACL01) stated that current funding and accountability arrangements incentivise competition for learner numbers and funding drawdown rather than shared planning and delivery. Several submissions linked competition to the need for providers to protect learner numbers, budgets and institutional sustainability.

9.4.3 ColegauCymru (RB15) stated that the funding model can drive competition between schools and colleges, particularly at 16 to 19. UCAC (RB08) stated that colleges have more funding and resources than schools for marketing and attracting learners, and that funding based on numbers makes competition important to providers. Coleg Cymraeg Cenedlaethol (FE04) described per-head funding as a major barrier to collaboration, especially in the 16 to 18 sector.

9.4.4 Local authority and public body submissions also referred to competition. Swansea Council (LA04) stated that a competitive funding environment, with institutions funded largely by student numbers, can create incentives to retain learners rather than encourage the pathway that best suits them. Careers Wales (RPB04) referred to actual and perceived competition for funding and learners. It stated that some schools with sixth forms are reluctant to promote college options or allow college engagement with Year 11 learners. Coleg Gwent (FE08) similarly stated that some providers do not give impartial advice and guidance in an attempt to keep learners.

9.4.5 Student organisation submissions referred to marketisation. Marketisation means treating education more like a market, with providers competing for learners and income. NUS Wales (SO01) stated that competition within the system, particularly in higher education, can discourage collaboration where it would benefit learners. The HE Students Union (SO02) raised concern that restructuring or collaboration decisions should involve students rather than being presented after decisions have been made.

9.4.6 Higher education and representative body submissions referred to UK and international market dynamics. Universities Wales (RB09) stated that Welsh universities compete for students, staff, research funding and partnerships, while also collaborating in areas of shared strategic interest. It also referred to demand-led funding and uncapped UK recruitment creating incentives to prioritise student recruitment and income security. The Learned Society of Wales (RB11) stated that the shift to student fees as the primary income for universities has driven market competition. The Royal Society of Chemistry (RB10) stated that real-terms declines in funding and fee income can lead institutions to increase recruitment to offset losses.

9.4.7 Some submissions described demographic change as likely to intensify competition. NUS Wales (SO01) referred to potential decline in the number of 18-year-olds increasing competition between providers, while GLIM College (FE05) stated that demographic direction could place post-16 providers in direct competition for compulsory-age school leavers.

9.4.8 Careers Wales (RPB04) also noted that some balanced competition may be beneficial for learner choice, particularly in rural areas where a single provider for a programme may not constitute fair choice for learners.

9.5 Protecting provision, subjects and transitions

9.5.1 Submissions referred to provision that may be hard to sustain because of small cohorts, high delivery costs, financial pressures, low demand, regional access or

Welsh-medium capacity. Small cohorts mean courses with relatively few learners, which can make delivery more expensive per learner.

9.5.2 CITB Cymru (EI01) stated that some construction specialisms are difficult to deliver because of small cohort sizes and high costs but remain essential to the sector. It also referred to geographic gaps in provision, particularly in rural areas, and decline of niche but strategically important construction trades.

9.5.3 Some submissions focused on strategically important subjects. The British Academy (RB06) referred to SHAPE disciplines, (social sciences, humanities and the arts for people and the economy), especially languages and humanities subjects, as vulnerable to cuts despite their regional and national value. NCUB (RB03) stated that Modern Foreign Language provision is concentrated at Aberystwyth University and that any scale-back would have wider implications for language provision across Wales. Qualifications Wales (RPB05) also referred to falling entries in language subjects, including entries to languages other than Welsh.

9.5.4 The Royal Society of Chemistry (RB10) referred to maintaining and enhancing provision, capability and capacity in chemical sciences. The Institute of Physics (RB05) stated that physics should be retained and supported in the universities named in its response. The Engineering Professors' Council (RB07) stated that financial pressures may lead to contraction of high-cost STEM provision, particularly engineering. RCN Wales (RB12) raised concern about smaller and harder-to-recruit programmes, including learning disability nursing and smaller allied health disciplines.

9.5.5 Universities Wales (RB09) stated that subjects can become at risk because of structural underfunding, not only because of duplication or falling student numbers. It also referred to the case for identifying strategically important and vulnerable subjects and considering targeted support where there is a strategic national rationale. Universities Wales (RB09) also cautioned that the existence of provision in more than one location does not automatically imply inefficiency, and that concentration does not automatically guarantee sustainability.

9.5.6 Welsh-medium provision was also raised. Coleg Cymraeg Cenedlaethol (FE04) referred to Welsh-medium provision in key subjects being at risk of decline or disappearance. It also referred to providers reducing the choice of modules on degree courses, including few or no opportunities to follow optional modules. Dyfodol i'r Iaith (TS08) raised concerns about competition between FE colleges and Welsh and bilingual schools. The Welsh Language Commissioner (RPB06) stated that strategies used for English-medium post-16 provision are not always available for Welsh-medium sixth forms.

9.5.7 The HE Students Union (SO02) raised concern that financial restructuring can reduce elective module choice over time, meaning students may experience a narrower range of study options than were available when they enrolled.

9.5.8 Transitions were also discussed. University of South Wales (HE02) stated that the transition between school, FE and HE remains a point of ‘leakage’ in the student journey. NTFW (WBL03) stated that many learners still lack access to a broad vocational curriculum or clear progression pathways from pre-16 through to higher-level and degree provision. Adult Learning Wales (ACL01) stated that Section 94 requires coordinated provision across the tertiary system, with planned, aligned and accessible provision and clear learner journeys. Carmarthenshire County Council (LA01) also suggested routine FE attendance at school individual development plan (IDP) reviews to support transition planning.

9.5.9 Submissions referred to school sixth forms and post-16 provision. ColegauCymru (RB15) referred to reviewing the sustainability of school sixth forms within a coherent local post-16 sector. St David’s Catholic College (FE09) referred to collaborative delivery with schools, colleges and universities to maintain subject breadth and learner choice. The Catholic Education Service (SCH01) referred to maintaining access to subjects that might otherwise become unviable due to low enrolments. Caerleon Comprehensive School (SCH03) referred to offering a broad curriculum through a consortium model.

9.5.10 Several submissions therefore framed collaboration as a way to protect provision, but only where it maintains access, subject breadth and clear progression. EAUC (TS03) referred to co-design and co-delivery to safeguard at-risk subject areas, while Swansea Council (LA04) referred to sharing resources, staff expertise or facilities to maintain specialised courses.

9.6 HE market structure and risks

9.6.1 Submissions discussed the uncapped undergraduate market, cross-border recruitment, subject cold spots, institutional financial pressures, student choice and local access. An uncapped market means there is no fixed limit on the number of undergraduate students’ institutions can recruit. Cold spots are gaps in provision by subject, location or learner group.

9.6.2 Some submissions identified benefits. University of South Wales (HE02) stated that an uncapped market gives institutions flexibility to recruit learners in line with regional strengths and strategic priorities and increases student choice and opportunity. Cardiff Metropolitan University (HE05) stated that removing caps can deliver benefits and that student choice can lead to a more appropriate and efficient allocation of funding. The Open University in Wales (HE07) stated that the obvious benefit of an uncapped market is increased student choice. St David’s Catholic College (FE09) referred to expanded access to higher education and a wider range of institutions and courses.

9.6.3 Other submissions identified risks. Swansea University (HE01) stated that uncapped recruitment favours Russell Group and traditionally higher tariff institutions. It referred to high-tariff institutions lowering entry tariffs and expanding course choices,

affecting recruitment at middle-tariff institutions. It also referred to subject cold spots and reduced provision in lower-demand subjects. The HE Students Union (SO02) stated that more than half of Welsh universities saw contractions in domestic undergraduate numbers, with declines ranging from 3% to 34%. It also referred to elective module choice tightening as institutions restructure in response to financial pressure.

9.6.4 Universities Wales (RB09) stated that financial impacts and delivery pressures would vary by institutional scale, subject mix, regional location, recruitment profile and market position. It referred to declining real-term full-time tuition fees, volatility in international income and limited capacity for Welsh providers to cross-subsidise part-time provision. Cardiff Metropolitan University (HE05) argued that introducing student number controls in Wales alone would be difficult to operate effectively within the wider UK higher education market. It stated that a cap applying to Welsh institutions could lead some Welsh students to seek places from uncapped providers in England. Universities Wales (RB09) similarly argued that any consideration of capping cannot be examined in isolation from developments in England, given the openness of the UK higher education market and cross-border flows.

9.6.5 Several submissions referred to cold spots. Swansea University (HE01) referred to subject cold spots with no provision of some subjects. The British Academy (RB06) referred to growing undergraduate cold spots in humanities disciplines, especially modern foreign languages, and concentration of SHAPE provision in South Wales. The Royal Society of Chemistry (RB10) referred to a 50% reduction in the number of universities offering chemistry courses in Wales, with the closure of Bangor University's chemistry department creating a chemistry cold spot in North Wales. The Institute of Physics (RB05) stated that physics departments in Wales are vulnerable to supply and demand fluctuations across the UK market. The Engineering Professors' Council (RB07) stated that engineering provision is geographically concentrated, particularly in Southwest Wales and Northeast Wales.

9.6.6 Coleg Cymraeg Cenedlaethol (FE04) stated that the fees system and lack of a cap on numbers make it difficult to secure a strategic national overview of HE provision. It also stated that competition from providers outside Wales can affect demand for Welsh courses and undermine Cymraeg 2050. Dyfodol i'r Iaith (TS08) stated that 40% of Welsh students study at universities outside Wales, and that 65% of North Wales students study outside Wales.

9.6.7 QAA (RPB08) stated that the risk of HE cold spots is less about the complete absence of provision and more about how access is distributed across learner groups, regions and subject areas. It also stated that greater concentration of provision in particular institutions or locations may create barriers for learners who are less geographically mobile or rely on local provision. NEON (TS02) stated that many learners are forced to travel outside Wales to study because some subjects are not available in Wales or because there are few courses on offer. Careers Wales (RPB04)

similarly framed cold spots as emerging from interaction between learner behaviour and market-driven institutional decisions, rather than geography alone.

9.6.8 Some submissions also raised specific progression gaps. Adult Learning Wales (ACL01) referred to the absence of Level 6 youth work provision in North Wales limiting progression opportunities from Level 3 and constraining workforce supply. ACT Training (FE03) suggested that widening access to HE student fee income for work-based learning providers could support higher apprenticeships and non-traditional progression routes.

9.6.9 Bangor University (HE03) stated that Welsh universities operate within a UK and global market for recruiting students, academic staff and researchers, and that this exposes Wales to the risk of aggressive growth by institutions elsewhere in the UK.

9.7 Tensions

This section sets out tensions identified across the submissions as a whole. Some were described directly by individual respondents; others emerge from comparing views expressed in different submissions. They summarise what respondents said and are not Welsh Government policy positions.

9.7.1 Choice vs planning: learner choice and responsiveness may conflict with planned provision for strategic subjects and labour market needs.
9.7.2 Autonomy vs stewardship: institutional autonomy sits alongside calls for stronger system-level coordination.
9.7.3 Efficiency vs resilience: reducing duplication may save resources but could weaken access, subject breadth, local availability or system resilience.
9.7.4 Collaboration vs competition: joint work can be difficult where funding and recruitment remain competitive.
9.7.5 Collaboration ambition vs transaction costs: submissions supported collaboration, but also raised the need for time, staff capacity, governance, data-sharing arrangements and funding for partnership management.
9.7.6 Specialist provision vs mainstream integration: some submissions called for more coherent planning across mainstream and specialist provision, while also recognising the distinct needs of learners with complex or low-incidence needs.
9.7.7 Welsh-medium protection vs rationalisation: submissions raised the need to sustain Welsh-medium routes, while also noting that rationalisation approaches may not transfer easily to Welsh-medium sixth forms or low-volume provision.

9.8 Areas of broad alignment and divergence in the submissions

9.8.1 Collaboration can improve progression, access and subject breadth.
9.8.2 Funding and accountability arrangements influence whether collaboration is viable.
9.8.3 Strategic and high-cost provision may need deliberate protection or support.
9.8.4 Data sharing and learner tracking need improvement.

9.8.5 Structural barriers, rather than lack of goodwill alone, often limited collaboration. Submissions described specific barriers including funding models that reward recruitment, fragmented governance and data systems, different audit and compliance rules, competition-law concerns and limited capacity for joint planning and delivery.

9.8.6 There was broad alignment that collaboration is most useful where it has a clear learner, employer, community or subject-protection purpose.

9.8.7 There was variation in how submissions described competition. Some described competition as distorting planning and impartial guidance, while others noted that some level of choice or balanced competition may protect learner options.

9.8.8 There was also variation in views on the uncapped HE market. Some submissions highlighted student choice and institutional flexibility, while others raised risks around provider stratification, subject cold spots, cross-border recruitment and financial instability.

9.9 Submission-suggested areas for policy consideration

Submissions suggested the following areas for policy consideration. These should not be read as recommendations from the analysis team or Welsh Government.

9.9.1 Align funding and accountability frameworks with shared outcomes and joint provision so that collaboration does not undermine provider viability or learner access (WBL04, ACL01, RPB08).

9.9.2 Improve data sharing and system infrastructure tracking across FE, HE and work-based learning, including learner progression, destination tracking and data-sharing arrangements between partnerships (ACL04, RPB01).

9.9.3 Support collaborative delivery, validation, franchising, shared teaching and hybrid/digital models through stable funding, shared governance and clear quality arrangements (SCH01, FE09, HE07).

9.9.4 Address operational barriers by investing in staff time and partnership capacity while also aligning timetables, qualification frameworks and academic calendars where these affect learner movement and joint delivery (RB04, SO02).

9.9.5 Clarify governance and legal frameworks for collaboration, including competition-law concerns where relevant (RB06, RB09).

9.9.6 Support collaboration to protect strategically important, high-cost, small-cohort or Welsh-medium provision where submissions identified risks to access or subject breadth (RB07, RB10, FE04).

9.9.7 Strengthen impartial information, advice and guidance so learners can see school, FE, work-based learning and HE options without providers protecting recruitment routes (RPB04, FE08).

9.9.8 Consider targeted approaches to cold spots, including regional planning, HE-in-FE, higher apprenticeships, specialist hubs, credit transfer and work-based progression routes (HE02, FE03, RPB08).

10. Annexes

Annex A: List of organisations/submissions (refer to technical annex)

Annex B: Sector tag and definitions (refer to technical annex)

Annex C: Analytical variables (refer to technical annex)

Annex D: Codebook (refer to technical annex)

Annex E: Methodology (refer to technical annex)

Annex F: Quote bank

a. Participation

“There has been a large increase in learners whose first language is not English ACL is responding to a growing demand.” ACL02 - Gwent ACL Partnership, pp 5

“Rising social anxiety, post-pandemic effects, and cost-of-living pressures have contributed to: • Increased mental-health challenges • Reduced resilience among young people • Greater demand for supported vocational routes that provide clear progression into training or work” FE01 - Gower College Swansea, pp 6

“Wales has long-standing patterns of higher mature and part-time participation linked to: Local access needs in rural areas Financial pressures on learners’ Strong FE progression routes for adults Availability of flexible work-based learning pathways, with scope for increasing use of micro credentials and vendor based qualifications” FE02 - CAVC, pp6

“The reduction of SME supported Apprenticeship initiatives, such as the ‘Employer Incentive Scheme (EIS)’ which provided wage subsidy for SMEs to recruit employers, has had a direct impact on the reduction of Apprenticeship recruitment for 16-24 year olds in Wales” FE03 - ACT Training, pp5

“boys are less likely to study in Welsh than girls in further education, apprenticeships and higher education.” FE04 - Coleg Cymraeg Cenedlaethol, pp 22

“We have seen significant growth in FE full-time recruitment of 20% in the last 4 years much higher than the growth in demographics.” FE05 - GLIM College, pp5

“Financial pressures, including the cost of living and maintenance support levels, mean that many learners are unable to engage in full-time study” SO01 - National Union of Students, pp 5

“The higher rates of part-time and mature participation in Wales are not accidental – they are the direct result of Diamond's decision to extend maintenance support on a pro-rata basis to part-time students and to fund postgraduate study. Entrant enrolments at the Open University in Wales more than doubled between 2017-18 and 2023-24, coinciding directly with the introduction of part-time fee subsidies and pro-rata maintenance support.” SO02 - HE Students Union, pp 5

“Higher education colleagues involved in outreach work are seeing a distinct shift in attitude amongst younger learners (even from primary school age) who do not perceive higher education as a route they want to pursue; thus, they are opting for more vocational post 16 courses which will lead them towards employment.” TS02 - NEON, pp 2

“The rural nature of Wales and limitations of public transport provision are likely to be a significant factor for many learners in determining where they study.” TU03 - NASUWT, pp 7

“Wales’ student population has become progressively older over time. The proportion of students aged 25 and over increased from 34.4% in 2017/18 to 40.9% in 2024/25. Part-time provision remains predominantly mature, with over 80% of part-time students now aged 25 and above.” RB09 - Universities Wales, pp9

b. Communities and the economy

“Funders should also consider incentives that reward social impact, such as addressing regional skills deficits, rather than relying primarily on recruitment, linear progression, and completion metrics.” HE02 - University of South Wales pp3

“energy and skills hubs in parts of Wales are beginning to link training provision with research activity and industry investment, helping to align skills development more closely with labour market demand.” TS03 – EAUC pp21

“Public investment must prioritise: • Technical and vocational programmes aligned to Wales’ economic strategy • Health and social care • Engineering and green technologies • Digital upskilling • Adult foundational skills • Welsh-medium vocational and public service pathways” FE06 - NPTC Group of Colleges pp15

“support for research and innovation must therefore recognise both the national need to strengthen Wales’s research base and the importance of applied research ecosystems that translate knowledge into tangible, regional economic and social impact.” HE04 - UWTSD, pp 17

“Welsh university research continues to deliver significant impact—generating £1.98bn for the economy, including £1.33bn through productivity spillovers across other sectors, with 70% of assessed research directly benefiting people and public services across Wales.” HE09-ChUW, pp3

“Engineering research in our universities is the engine of the Economic mission, and it provides solutions to the most urgent challenges of our time: energy security, climate resilience, defence capability, public health, sustainable manufacturing and the transformation of our infrastructure.” RB07 - Engineering Professors' Council, pp 15

“Strengthening the role of FE in applied research and innovation FE colleges are well placed to act as translational partners between research and industry, particularly for SMEs. Investment in FE-led innovation capacity, and having funding certainty, would support this role.” FE01 - Gower College Swansea, pp 26

c. Financial sustainability

“The most recent Welsh Student Tracker survey (October 2025) found that 86 per cent of learners say the cost of living has negatively impacted their studies, and that nearly a quarter of students have nothing left or are in overdraft after paying essential living costs – with a further 45 per cent having less than £150 remaining each month.” SO02 - HE Students Union, pp 15

“Funding pressures elsewhere in the sector have led other universities to prioritise, understandably, those parts of their provision that are most affordable to deliver or which provide to them the greatest return. Part-time provision is not one of these types of provision. We have, for that reason, seen part-time provision shrink or be withdrawn completely across the sector, leading to reduced choice for students.” HE07 - Open University in Wales, pp5

“The current financial position for universities is challenging. Costs are increasing faster than income, and fees and funding no longer cover the cost of teaching home students, or research and innovation. This position is exacerbated by a significant decline in international recruitment.” RB09 - Universities Wales, pp31

“Capital investment: Match funding is the Barrier Since 2014, the FE sector has received capital investment through Sustainable Communities for Learning, and this is welcomed. However, the key constraint is not the availability of funding — it is the 35% match funding requirement.” FE01 - Gower College Swansea, pp 21

“Engineering education is capital-intensive and depends on specialist infrastructure, laboratories, and highly skilled technical staff. Financial pressures on the sector means that a strategically planned system approach is essential to protect engineering provision across Wales.” RB07 - Engineering Professors' Council, pp13

“Modern Foreign Language provision is concentrated at the University of Aberystwyth. If the University of Aberystwyth has to scale back programmes because of financial sustainability challenges, this will have wider implications for Languages provision across the whole of the nation” RB03 - NCUB, pp 11

“Prioritising direct (grant expenditure) and indirect (loan outlay) support for nursing courses could help attract more people into a safety-critical profession that saves lives and generates substantial societal value.” RB12 - RCN Wales, pp 14

“Develop innovative centres that will be able to meet the educational and extracurricular needs and aspirations of all our learners, centrally, removing

duplication and a wide provision of courses that are unsustainable due to lack of finance and a reduction in the number of learners.” LA05 - Ceredigion County Council, pp 11

“The loss of SPF funding has impacted on our ability to provide engagement activities and one to one support for members of the community who have multiple barriers to learning -including previous bad experiences of formal learning.” ACL02 - Gwent ACL Partnership, pp 7

“Welsh universities are delivering research and innovation that makes a positive impact across Wales, the UK, and the wider world against a backdrop of significant financial sustainability challenges increasing the gap between the costs of doing research and the income available to support it” RB10 - Royal Society of Chemistry, pp6

“NEON would urge the government to consider the wider benefits of education over and above labour market outcomes. For example, reducing the benefits of higher education to purely financial outcomes overlooks the well-researched physical and mental health benefits that students gain and fails to recognise they are less likely to incur costs due to the development of health conditions.” TS02 - NEON, pp 9

“UCU Cymru acknowledges that the sector is working in extremely challenging conditions. NI contributions increases, international student taxes as well as the transition from ESF to LGF all combine with a largely stagnant funding milieu to excite sector competition and sharpen scalpels” TU04-UCU (Combined Submission), pp31

“Major barriers: • Transport costs (especially Powys) • Equipment costs for vocational learners • Digital access • Loss of income for adults in reskilling programmes” FE06 - NPTC Group of Colleges, pp14

d. Competition and collaboration

“Being unable to share learner data across the Partnership because of GDPR is a barrier to tracking learner progression. An updated (LLWR) privacy notice including a data sharing agreement which all partnerships could use would help overcome this issue.” ACL04 - Swansea ACL Partnership, pp 6

“The current demography direction for Wales will inevitably lead to all post-16 providers being in direct competition with each other for compulsory age school leavers which does not promote collaboration and collaborative 16-18 curricula.” FE05 - GLIM College, pp10

“If funding does not reflect the ‘real full economic costs’ that these complex partnerships often require (programme management, reporting, evaluation), providers will opt out of putting in an application due to financial constraints.” RB04 - GW4, pp4

“Jointly delivering courses to prevent the emergence of a regional ‘cold spot’, particularly between providers that primarily serve local students, may therefore not be permissible under current competition law” RB06 - British Academy, pp 11

“It is also important to recognise that subjects typically become “at risk” not necessarily because of duplication or contraction in student enrolments, but because of structural underfunding. The funding gap between Wales and England in teaching, research and capital investment is not accidental; it is the cumulative consequence of Welsh Government funding settlements and policy decisions over a prolonged period.” RB09 - Universities Wales, pp25

“Collaboration can also play an important role in safeguarding subjects that may be at risk due to declining enrolment or high delivery costs. For example, sharing resources, staff expertise or facilities between institutions could help maintain access to specialised courses that might otherwise be unsustainable for a single provider.” LA04 - Swansea Local Authority, pp11

“Where collaboration between institutions is necessary to sustain provision, it should be accompanied by credit portability – so that a student at one institution can take modules from a collaborating partner where the specialism sits, without losing their home registration or financial support.” SO02 - HE Students Union, pp13

“There is still benefit in balanced competition for similar post-16 offers however, as we have also seen examples, particularly in more rural areas where there is only one provider for a particular programme and this does not constitute a fair choice for learners” RPB04 - Careers Wales, pp 15

“There is a gradual, but definite move in the direction of rationalizing the provision of post-compulsory education by closing centres, merging centres, and creating much larger centres. It is a concern that the role of sixth form centres in Welsh schools is not sufficiently considered when making these decisions.” RPB06 - Comisiynydd y Gymraeg - translation, pp 7

“A significant barrier is the wider financial environment. In a constrained funding context, institutions may prioritise recruitment and income generation, which can reduce incentives to collaborate where this may affect enrolment or institutional sustainability.” RPB08 - QAA, pp 12

“This structural separation reinforces a divide between mainstream and specialist provision, rather than enabling a coherent, collaborative tertiary system. If Medr held oversight and funding for both FEIs and specialist colleges, it could improve planning and ensure more equitable access to education for learners with complex, low-incidence needs across Wales.” TS01 - Natspec, pp 5

“As matters deteriorate, the strange logic of competition will find vice chancellors (and some principles) arguing for less provision in a nation whose participation rates lag far behind the UK average” TU04-UCU (Combined Submission), pp 35

e. Demographics and lifelong learning

“Programme structures are often inflexible, with long durations and limited modularity, making them less accessible to adult learners and those in employment.” EI01 - CITB Cymru pp2

“Wales has a unique opportunity to build a truly inclusive tertiary system by placing Adult and community learning at its core and by treating lifelong learning not as a strategic mechanism for tackling poverty, improving wellbeing, and widening participation.” ACL02 - Gwent ACL Partnership pp10

“But rejecting the English model should not mean rejecting the principle of lifelong access. This presents the opportunity for Wales to develop its own approach – built on its existing part-time infrastructure and Medr's system-level coordination role – that gives students the right to credit portability between Welsh institutions and supports them to move between modes of study as their circumstances change.” SO02 - HE Students Union pp11

“These include financial disincentives to faster progression, reduced eligibility for benefits and council tax discounts while studying, and negative experiences associated with being a ‘non-traditional’ learner in a system primarily focussed on, and funded through, tuition fee income from full-time degree-level provision.” RB06 - British Academy pp9

“ONS projections indicate that the youth population in Wales will decline during the 2030s. Many providers are therefore diversifying provision to include more workforce upskilling opportunities whilst continuing to respond to employer demand for workforce planning via Apprenticeship recruitment.” FE03 - ACT Training pp7

“Demographic pressures in Powys are not emerging challenges; they are immediate realities: • Shrinking youth cohorts • Long travel times • Ageing populations requiring retraining in health and care sectors” FE06 - NPTC Group of Colleges pp7

“Funding constraints also limit the expansion of flexible learning opportunities. Many programmes that supported youth engagement and lower-level skills development were previously funded through initiatives such as the Shared Prosperity Fund, and reductions or changes to these funding streams risk reducing the availability of support staff and programmes that help learners re-engage with education.” LA04 - Swansea Local Authority pp9

“Jisc’s assessment of AI use across tertiary education in Wales highlights an additional bilingual risk. Uncertainty about Welsh-language capability in mainstream AI tools and uncertainty about how Welsh language requirements should be interpreted in practice can inhibit adoption or lead to uneven experience for Welsh-medium learners and staff” RPB01 – Jisc pp5

“The Welsh Government should continue to prioritize direct support such as this for expanding Welsh-medium tertiary provision. Alongside Medr's general funding models, we believe that this investment is essential in order to achieve the Welsh Government's wider policy objectives in relation to the Welsh language.” RPB06 - Comisiynydd y Gymraeg (translation) pp16

“Overall, demographic change is likely to place greater pressure on providers to plan more strategically across regions, subjects and modes of delivery, particularly where participation increasingly depends on adult, part-time and non-traditional learners rather than a growing pool of school leavers.” RPB08 – QAA pp8

“Administrative barriers Learners with complex ALN and their families report patchy and inconsistent information and guidance on post-16 options. Natspec’s own research has revealed that two thirds of parent respondents rated the overall quality of the information, advice and guidance that they or their young person received as poor.” TS01 – Natspec pp4