

Council for Economic Development

Paper on “*Public Good and a Prosperous Wales (Building a reformed Post Compulsory Education and Training (PCET) system)*”

The Education Secretary made a statement and published a consultation paper on 20th June. ‘*Public Good and a Prosperous Wales (Building a reformed PCET system)*’ takes forward the Government’s response to the Hazelkorn Report. It will be open until 23 October.

Background

The Hazelkorn Report was published in 2016 and made two primary recommendations. These were that the Government should develop an overarching vision for PCET and that there should be a new arms-length body as the sole regulatory and oversight authority for the post-compulsory system. In January 2017, the Government confirmed that it accepted these recommendations.

This consultation sets out proposals for taking forward the reforms needed, and invites views on some of the key issues which will need to be addressed in legislation. It proposes a ‘made in Wales’ approach to post-compulsory education and training so that it people can learn and acquire skills more easily throughout their careers.

Our ambition is to pursue growth with a purpose. We value prosperity because of the security and well-being it can help deliver and want to grow the economy whilst reducing income inequalities and spreading opportunity. We are looking to improve our productivity as a key to unlocking our growth potential and improving the earning capacity of those at the lower end of the income scale. In focussing on productivity as part of a balanced approach to growing our economy, decent jobs, and opportunity for all, we recognise skills, innovation and infrastructure as critical productivity drivers.

The link between skills and productivity is undeniable. The importance of skills as a key driver of productivity is acknowledged in the White Paper. Without a high quality labour force, the potential of other productivity drivers - infrastructure, innovation, enterprise and competition - cannot be fulfilled. Skills enable workers to exploit infrastructure and innovation, to be more enterprising and to create a more competitive offer.

Overview

At the heart of the consultation are proposals for a new body. **The Tertiary Education & Research Commission for Wales** would replace the Higher Education Funding Council for Wales (HEFCW) and provide strategic direction & leadership for the whole PCET sector. It would draw on best practice from around the world.

The key focus of the Commission would be:

- a. to protect the interests of learners and ensure that vocational and academic routes are equally valued;
- b. through changes to strategic planning and funding, to align PCET provision more closely with the needs of employers in Wales, helping to build a stronger future economy.

The Commission's functions would include:

- the strategic planning of educational & skills delivery across PCET;
- the funding, quality assessment & enhancement, and managing performance/risk across PCET;
- oversight & coordination of Welsh Government research and innovation expenditure;
- leading a step-change in available data, including measuring educational progression, destinations & outcomes.

Research

The Commission would have responsibility for coordinating research and postgraduate research capacity funding in a more strategic and dynamic way. A committee of the Commission (Research & Innovation Wales) would lead on this. Unlike England, we intend to maintain the benefits of national/institutional links between research, innovation, teaching, skills development and work-based learning.

It will take time to implement these changes. The White Paper will be followed by a more detailed technical consultation. These far reaching changes would require significant legislation. During the period of transition, the Government will be seeking new members for the board of the Higher Education Funding Council for Wales with experience of a wider range of areas, including business.

Issues for the Council

One of the key drivers behind the White Paper proposals is the need to boost productivity and skills by better aligning post-compulsory education and training provision with the needs of employers and business in Wales. The Welsh Government needs the business community to be engaged fully with the ideas set out in the White Paper to help shape a post-compulsory system fit for the future.

Members of the Council are invited to comment on the proposals for the new Commission. Members are also invited to advise on how best to engage the business community in the future development of the Commission model to ensure that it meets the needs of employers and contributes to a stronger Welsh economy.