

WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

Tertiary Education and Research (Wales) Bill

Section 1. What action is the Welsh Government considering and why?

Context

This Integrated Impact Assessment relates to the Tertiary Education and Research (Wales) Bill (“the Bill”).

The legislative changes proposed in the Bill cover a number of areas relating to the funding of tertiary education and research. These include the establishment of the Commission for Tertiary Education and Research (“the Commission”), the regulatory body responsible for the funding, oversight and regulation of tertiary education and research in Wales.

Tertiary education encompasses post-16 education including further and higher education, adult community learning and work based education, apprenticeships and local authority maintained school sixth forms.. Tertiary education can also be referred to as post compulsory education and training.

The Commission will replace the Higher Education Funding Council for Wales (HEFCW) and take on functions currently undertaken by the Welsh Ministers and HEFCW. Combining these functions within a single body will support the creation of a regulatory body, with legal responsibility for the funding, oversight, quality and regulation of tertiary education in Wales.

The Bill will confer powers on the Commission to enable it to shape tertiary education and research in Wales to better meet the needs of learners and employers, helping to build a stronger future economy, and promote greater cohesion across the sector and between compulsory and post-compulsory education within schools.

One of the principal aims in establishing the Commission is to create a body which is able to deal with the strategic planning and funding across the whole of the tertiary education sector and research and innovation sector in relation to Wales.

Given the breadth of these policy areas, and the policy intent for the Commission to be able to deal with these areas as a single (albeit wide ranging) sector, the Bill sets out nine strategic duties under which the Commission is required to exercise its functions.

The Bill includes a requirement for a strategic plan to be developed and delivered by the Commission in response to the Welsh Ministers’ strategic priorities. This should help to align the activities of the Commission with the needs of Wales and its citizens, both learners and employers.

Background

In March 2016 Professor Ellen Hazelkorn published “Towards 2030: A framework for building a world-class post-compulsory education system for Wales”, her independent review of post-compulsory education in Wales.

The review made two primary proposals:

- The establishment of a new arm’s length body to provide oversight, strategic direction and leadership for the post-compulsory education and training (PCET) and research sector.
- Welsh Government should develop an overarching vision for the post-compulsory education and training system with stronger links between education/training policy and providers and social and economic goals.

Professor Hazelkorn concluded that the current system was insufficiently learner focused and did not fully achieve value for money. A major theme running through the report was the need for post-compulsory education and training to operate as a single sector to support learners to reach their potential, rather than operating as several discreet sectors in competition with each other. This would involve collaboration and partnership working between post-compulsory institutions of all types to achieve this vision.

The report also contained proposals on how post-compulsory education and training should be regulated and monitored in the future, to create a sustainable, coherent and competitive system for Wales.

Professor Hazelkorn highlighted UK government proposals for making significant changes to the organisation and funding of research, which would have UK-wide implications. While she did not deal with this in detail, she acknowledged its importance to the Welsh economy and relevance to post-compulsory education and training. There is therefore a need for joining up between post-compulsory education and training and research.

Development of Policy

The proposals have been developed in light of the five ways of working in the Wellbeing of Future Generations (Wales) Act 2015.

They are intended to provide long-term benefit to providers, learners and employers by aligning all tertiary education under one arm’s length body. This should help to ensure that learners are able to look at all the options available to make informed decisions about learning routes appropriate to their needs and aspirations.

The establishment of the Commission is a critical step towards realising the Welsh Government’s goals, as set out in the Programme for Government, in respect of education reform. The strategy is to deliver coherent progression through and between the different post-16 education sectors, so that the individual’s learning pathway meets their needs and aspirations and is not defined by artificial boundaries.

The policy has been developed following detailed responses from and subsequent liaison with stakeholders including HEFCW, higher education and further education providers,

Estyn, local authorities, schools, regulatory bodies, apprenticeship providers, workforce representatives, employers and businesses.

During our consultations we involved learners and providers, discussing our proposals with them at Skills Cymru events, local schools and colleges and Wales wide roadshows. A Young Persons' consultation, designed specifically for our younger stakeholders was also published alongside our White Paper.

Impact

The Bill provisions will ensure that the major recommendation arising from the Hazelkorn review is implemented, that is the creation of an arm's length body with responsibility for the whole post-compulsory sector and research.

In line with the requirements of the Well-being of Future Generations Act, the proposed reforms are being approached from the viewpoint of improving the social, economic, environmental and cultural well-being of current and future generations. This will be achieved through longer term thinking, integrated policy making, collaboration between providers, and improved involvement of users and citizens.

The provisions will affect all providers and learners engaged in post compulsory education and training. Benefits are expected to include:

- uniformity of cultural approach to regulation of institutions across PCET through a common purpose;
- improved match between the supply of education, training and research opportunities and the demand from learners and employers;
- value for money (better return on R&I investment);
- more collaborative R&I projects;
- reduction in the number of NEETs, and more post 16 learners progressing to higher learning and/or well-paid employment;
- increased recognition of the value of both academic and vocational qualifications;
- increased availability of Welsh-medium tertiary education and an increase in the number of individuals choosing to study through the medium of Welsh;
- improved learner satisfaction;
- continuity in provision across the whole sector: a coherent route map for learners and providers;
- a coherent funding model for the PCET sector;
- alignment between funding and cost of provision across PCET (comparable across HE FE and school sixth forms): A logical approach to funding for appropriate delivery, linked to supply/demand;
- more joint use of facilities (Shared service agreements); and
- oversight of the sector will increase capacity to both plan and adapt collectively to future economic and social changes

Financial Implications

The financial implications of the provisions are set out in part 2 of the Explanatory Memorandum, the Regulatory Impact Assessment, which will accompany the Bill when it is introduced.

Mechanism for Delivery

The proposal is to bring forward primary legislation. A Regulatory Impact Assessment will be published as part of the Bill documentation at introduction.

Section 8. Conclusion

8.1 How have people most likely to be affected by the proposal been involved in developing it?

In developing these proposals the Welsh Government consulted with a wide range of stakeholders.

Three formal consultations have been held:

- Public Good and a Prosperous Wales – Building a reformed PCET system (White Paper)
- Public Good and a Prosperous Wales - the next steps (technical consultation), and
- Draft Tertiary Education and Research (Wales) Bill consultation

Respondents broadly welcomed the proposals. In addition, officials held roadshows across Wales with stakeholders from the tertiary education sector who will be directly affected by the proposals. This included representatives from higher education and further education providers, HEFCW, local authorities, employers, apprenticeship providers and regulators to ascertain their views and responses to the proposals.

A consultation was commissioned to engage with young people, including those from protected characteristic groups, in schools and colleges across Wales to capture their views on the proposals. In total over 25 schools and colleges across Wales, as well as over 10 protected characteristic groups, were represented during this consultation.

Welsh Government officials spoke to a variety of stakeholders at Skills Cymru events and engaged with current learners ranging from as young as 9 years old and adult learners up to the age of 70 years old, including a good gender mix, individuals from different race and individuals with learning disabilities. Further examples of diversity included Welsh language speakers, representation from parent network groups, the Commission for Racial Equality, and community learning centres.

8.2 What are the most significant impacts, positive and negative?

The most significant impact of the proposals will be the effect on coherence of provision. The Commission will be able to take a 'whole systems' approach to the tertiary education sector, ensuring that provision and funding are directed where it is needed. The inclusion of research and innovation and the close link with employers will help to ensure that learning provision can respond to the needs of employers as well as ensuring that research is directed to the areas that can exploit the funding to its best potential. This will ensure that funding is targeted in a strategic manner, and that Wales is able to compete for funding on a UK-wide basis.

Wales will maintain and develop excellent research within the tertiary education sector, collaborating with organisations, both within the UK and internationally to exploit opportunities. Research funding will support both research and innovation, boosting Welsh businesses. Institutions will work to maintain and enhance partnerships both within their

local community and throughout Wales, the UK and the world, in industry, and with the public sector.

The establishment of this new body will enable stronger and more secure national and regional planning, strengthen the link between research and education, and deliver a tertiary education system that is better placed to respond to macro-changes; to plot paths for learners; and to bring the sector together in a way that provides for genuine life-long learning and skills development.

The Welsh Government is committed to the delivery of a tertiary education system:

- centred on the learner and has excellence, equality and engagement at its heart, enjoys public confidence and is a source of national pride.
- that is cognisant of the performance domains recommended in 'Maximising the Contribution of the Post-Compulsory Education and Training System to the Achievement of Welsh National Goals', and contributes to the goals set out in the Wellbeing of Future Generations Act 2015,
- that strengthens Wales' economic and social foundations, and responds to employer needs and learner interests for high quality education and training, research and innovation.
- which is embedded in, and which adds value to the communities it serves whilst being international in outlook.

The Commission will have a duty to promote the pursuit of a civic mission by institutions in Wales in the higher and further education sectors. It will also be enabled to promote the pursuit of a civic mission in other persons, such as research and innovation bodies that it funds if it considers it to be appropriate. The tertiary education system should also provide guidance, effective choice, equitable access and appropriate pathways to learning opportunities for all. The Welsh economy should be strengthened, by encouraging enterprise, responding to employer needs and enabling a relevant and growing research base.

The new Commission will encourage the tertiary education sector to collaborate effectively by adopting a whole-system approach to learners, where further education, higher education and school sixth forms engage with each other to enhance the communities they serve. The system will provide a learner focused system that promotes lifelong learning and delivers effective choice and guidance.

The new system will enable learning, assessment and progression through the medium of Welsh to 'develop post-compulsory education provision which increases rates of progression and supports everyone, whatever their command of the language, to develop Welsh language skills for use socially and in the workplace.'

8.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

Support people and businesses to drive prosperity

The development of the new Commission will strengthen Wales' economic foundations and wellbeing, by encouraging enterprise, responding to employer needs and enabling a relevant and growing research base. The Commission will be responsible for promoting Welsh research and bidding for funds on behalf of organisations in Wales in the UK and wider.

The Commission will oversee and regulate the quality and standards of education and training in the tertiary education, training and research sector, provided by, or on behalf of, those institutions within its quality assurance remit.

Tackle regional inequality and promote fair work

Inequalities will be challenged by focusing the tertiary providers on the needs of the local area and encouraging local tertiary providers to be more joined up in their provision and ensuring a broad range of educational areas is covered in the locality.

Support young people to make the most of their potential

The Commission will be driving new and innovative ways of working, bringing education and training providers closer together supported by more robust strategic planning and funding mechanisms, stronger performance and accountability systems, and quality enhancement arrangements which will enable Wales to benchmark and learn from the very best worldwide.

Build ambition and encourage learning for life

It will deliver a learner-focused system that promotes lifelong learning and delivers effective choice and guidance, and equitable access to appropriate learning pathways and opportunities. The new Commission will encourage the tertiary sector to collaborate effectively by adopting a whole-system approach to learners, where FE HE and maintained school sixth forms engage with each other to enhance the communities they serve. The system will provide a learner focused system that promotes lifelong learning and delivers effective choice and guidance.

On Research and Innovation, the new Commission will engage on behalf of Welsh institutions and organisations to bid for UK-wide R&I funding on an equal footing to organisations across the UK and globally.

Equip everyone with the right skills for a changing world

By collaborating with other organisations, businesses and the third sector, institutions will be able to provide current skills which are required by the workplace.

Build resilient communities, culture, and language

The new Commission will drive a system that enables learning, assessment and progression through the medium of Welsh. In addition the distinct duty of promoting the pursuit of a civic mission by institutions in Wales in the higher and further education sectors will contribute to this because civic mission is defined in the Bill (as drafted) as “action for the purpose of promoting or improving the economic, social, environmental or cultural well-being of Wales”.

Deliver modern and connected infrastructure

The Commission will encourage institutions to work together to provide the courses which communities require, reduce duplication and focus on skills that are required by employers to rebuild the economy following Covid-19.

Promote and protect Wales’s place in the world

The Commission will bid and promote research and innovation funding on a UK-wide level and globally to ensure that Welsh organisations exploit the potential funding streams available and gets recognised for its research and innovation work.

It is proposed that the new Commission will be placed under a duty to have regard to the need to increase the provision of Welsh-medium tertiary education, including higher education and further education courses and apprenticeships. This will help to maintain the use of the language throughout education and enable the language to be further embedded in communities which in turn will assist the Welsh Government in achieving the targets set out in Cymraeg 2050.

Vocational and academic studies will be valued equally by the Commission, allowing learners to develop their own talents and excelling in their chosen field of study. The Commission will be active on an international scale, engaging with UK funding bodies to bid for UK-wide funding on behalf of Welsh institutions to fund initiatives in the Welsh Ministers strategic plan.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

The Bill proposals cover a number of areas relating to tertiary provision. These provisions relate to setting up a Commission to oversee tertiary education and research and innovation. They are intended to improve tertiary education in Wales and enable providers to make the best use of Welsh Government funding for education, research and innovation.

Elements of this provision are high level, to allow the Commission to create the detailed systems and processes to operate the tertiary education sector. Therefore the impact assessments are based on the information available at this point in time, prior to the passing and implementation of the legislation.

As part of its annual reporting process the Commission will be required to reflect on progress against its strategic plan which will be drawn up in consultation with stakeholders to deliver against Welsh Ministers' strategic priorities.

Further detail is likely to emerge at the implementation stage of the legislation, with a greater understanding of the potential consequences associated with any changes then being proposed and updated impact assessments could be carried out at that stage.