

Good morning

Thank you for inviting me to open your conference this year.

“Colleges Delivering for Wales” is a very apt theme for your conference as you have proved time and time again that as a sector you do deliver for Wales.

The challenge now is what is next for the sector and what needs to be in place to ensure we have a post-16 education sector that is fit for the twenty first century, and that provides our learners with the opportunities they need to reach their potential.

The key priority for the Welsh Government is tackling poverty and getting people into jobs and the FE Sector has a very important role to play in this.

Poverty affects far too many people in Wales, and we must do something about it. Tackling poverty and getting people into jobs have to be at the forefront of everything we do. And when we consider our policies going forward, it must be with these goals in mind.

I want to start with what colleges will look like as a result of the upcoming legislation changes.

I'm sure that you are all aware that on the 29th of April this year the Minister for Education and Skills laid before the National Assembly for Wales the Further and Higher Education Bill 2013 (Governance and Information). I believe this is a seminal Bill; increasing the independence of further

education institutions in Wales to continue to meet the needs of learners and help you to maintain your critical role in the Welsh economy.

The independence I'm referring to will impact on three significant areas; governance, dissolution and borrowing.

I'm going to be upfront and recognise that the catalyst for the Bill has been the reclassification of further education institutions by the Office for National Statistics. The Welsh Government simply cannot afford to accept the potential budgetary implications that come with shifting colleges into Central Government for the purpose of national accounts. The potential negative implications on capital investment and on colleges building

reserves to re-invest surpluses are not acceptable to the Welsh Government.

The Bill is the first stage of seeking to reverse the reclassification and reinstate colleges back to the classification of NPISH (not for profit institutions serving households). A term we have all become very familiar with in the past year.

Yes, the ONS reclassification has acted as a catalyst, but one can't argue that it's not a timely one. As Leighton Andrews said in his statement to the National Assembly, the FE sector has '*come of age*'. Through vision, ambition and absolute determination, you have evolved into multi faceted strategic organisations; key players in your local economies and in your communities. I am proud of

the culture of partnership working and collaboration that has evolved here in Wales. I believe it is fundamental to the successes achieved in FE and it has enabled the Welsh Government to seek to reverse the ONS classification. Ask yourselves, if we had exactly the same sector that we had in 1993, would Welsh Ministers be in the position they are today; justifiably promoting greater independence for colleges?

The Bill has just started its journey through legislative scrutiny and we have a long way to go, but I anticipate that two thousand and fourteen will be another milestone year for FE colleges in Wales.

In relation to the Humphreys report, I am pleased to hear that many of you are starting to look at

methods to increase the engagement of local communities in college business. I'm even more pleased that this is being achieved without the need for legislative intervention. The Humphreys report gave a strong steer to improving transparency and local accountability and I believe this will become more important in the future. I look forward to hearing the outcomes of the pilot being carried out by Coleg Gwent and the good practice they will provide for the sector.

I believe the Transformation agenda has been a great success. We now have a much sleeker, more dynamic structure for FE in Wales.

In relation to the negotiations for a national contract for staff in further education, to date, Welsh

Ministers have refrained from direct involvement. We do not have the legislative powers to impose terms and conditions on FE colleges and it is also outside the scope of the Bill. It is a matter for the trades unions and the FE sector to manage and resolve. I am of course wholly supportive of the national contract and am aware of the detailed and complex negotiations that are ongoing, which I hope will reach fruition soon.

I would like to commend you all on the hard work that has gone into these negotiations, and would urge you to make the contract a reality in the near future.

More generally, we have to change how we view success. It is no longer about numbers. We can no

longer give ourselves targets and feel we've done well by counting the number of people we get through our doors.

We have to focus more on outcomes. It is not enough to simply have education for education's sake. Our goal cannot be around ensuring we have large numbers of learners. Our goal has got to be around ensuring that the education we provide leads to something more.

It is all very well having lovely buildings, and great courses; but our goal is not simply to attract learners to study at our institutions. Our goal is to deliver educated, employable individuals with the skills needed to get the jobs that are available to



them; or for those where it is appropriate, as an avenue to further learning.

But the same is true of Higher Education. There is little point having thousands of graduates, if what they have learnt doesn't equip them to get the jobs available. We have to focus far more of our attention on what outcomes we want for our learners. We have to focus on ensuring that the learning we provide is a gateway to bigger and better things – most importantly that it equips our learners with the skills they need to succeed.

That is why we have developed a new planning and funding system that will provide you with the freedom and security to be able to change the focus of what we do. Your funding will no longer be

determined by how many students you recruit. In future it will be determined by the outcomes for those students. Where do they go when they leave you? What do they do with the learning they have gained?

I'm very proud of the work that has gone into the planning and funding review, and am even more proud of the results that it has generated. I truly believe that we will now have a system which delivers far more effectively for our learners.

Yes, of course all change is difficult to start with and getting used to the new system will take time. There are bound to be teething problems as well. We can't go into this expecting everything to work perfectly from the word go. But I have faith that this

new system will provide you with the basis to do an even better job in supporting learners.

The new system will provide you with clear, three year funding streams which will enable you to plan your provision far more effectively. This will hopefully lead to more innovative and inventive approaches. This is the time to try new things. 2013/14 sees the end of the current three year settlement, and although we are encouraging you to think about what provision will be delivered in 2014/15, as we are between systems, we are unlikely to know the indicative budget for 2014 until this October. You will have heard that budgets remain extremely challenging. Any reductions in funding that may be required as a consequence of Westminster's settlement for Wales will not in

anyway be linked to the new methodology. It is too early to tell where the impact of any reductions will fall. But it would be wise to prepare for lower levels of funding in future years.

The proof of the pudding, as they say, is in the eating. Only time will tell whether this new system is going to work, but I believe it will.

The new funding and planning system will no longer look at out of date data that tells us only how many people studied what and where. Instead, we will have real-time data that will not only give us this basic information, but also let us know what our learners have done next. What benefit has that learning been? Where has it led them? This will mean we can be smarter about the courses we

offer. We will focus more on the information we get from LMI to ensure we provide the courses that employers need us to deliver. To ensure that we end up with college learners going into employment or further learning.

We've got to start thinking smarter. LMI is a crucial part of that. There's little point in us having a thousand hairdressing graduates a year if we know there are only opportunities for a hundred of them to find work. If the labour market tells us we need plumbers, then we need to offer plumbing courses. If it tells us we need builders, then builders we need to teach. We cannot continue to deliver what we always have. We must be more flexible, more intuitive and more accountable.

So where do we start?

If we are going to focus more on outcomes, then we have to improve the way we capture destination data. I expect you to invest time and energy into identifying the destinations of learners, particularly those who have undertaken full-time programmes or part-time vocational courses.

Research commissioned by the Welsh Government in 2012 highlighted the weaknesses in learner tracking and destinations data. And with FE institutions tending to rely on learners' stated intentions rather than comprehensively following up leavers. This needs to be tackled. And I also expect institutions to actively survey their early leavers so that they can identify reasons for leaving,

and take action accordingly to improve the quality of support

Another important thing to look at is the way we structure our learning programmes. The May 2012 priorities letter asked the sector to consider the further development of flexible roll-on, roll-off provision, to support the needs of young people who may need to enrol at different times of year. This was identified as an issue as long ago as 2009, in the Welsh Government's publication *Reducing the proportion of young people not in education, employment or training in Wales*. However, recent analysis carried out by my officials showed that in 2011/12, 98% of full-time learning programmes started in August or September and in

line with the traditional start of the academic year. Colleges need to address this urgently.

We are living in a difficult economic environment, and the education we provide is more crucial now than ever. This is especially true for our young people, who are increasingly struggling to find a foothold into employment.

We have begun work on trialling a new Engagement & Progression Framework for young people in Wales with a view to a full Implementation Plan being published in September 2013. We want to help our young people to engage and progress.

One of the key issues we must address is how we identify the young people who most need support.



We are evaluating our current indicators with a view to launching a new approach to the early identification of those at risk. This will enable us to target our resources more effectively at the young people who most need our help.

We want to remove barriers to engagement by ensuring that services are designed and delivered around the needs of the young person. We are exploring the brokerage function. This may prove to be a more effective means of ensuring targeted support provided to young people is negotiated through a single point of contact, helping to ensure support meets the needs of each young person in a co-ordinated way.

We have to make sure that all necessary support is provided for students to complete their studies; this could include the provision of counselling or health and well-being support, and involve engagement with appropriate agencies and services. Further, where students are identified as early leavers, or at risk of disengaging from learning I would expect colleges to notify Careers Wales at the earliest opportunity to ensure that alternative opportunities are explored.

We will also continue to work with employers to increase job opportunities for young people. We are evaluating the success of existing labour market interventions - Jobs Growth Wales, Traineeships and Apprenticeships, as well as developing new

approaches to the delivery of work experience and employer engagement.

You will know that the review of qualifications that I launched back in September 2011, reported in November. I am very grateful to Huw Evans and his team for their work, and was pleased that the review's findings were based firmly on evidence.

Our guiding principle is doing what is best for learners in Wales and for the Welsh economy. This will sometimes mean doing things differently from England and the rest of the UK, but many qualifications will continue to be shared. The most important thing is in ensuring that the qualifications we offer our learners are right for Wales.

I don't want to say much more about this as I know Huw is speaking to you later this morning. All I will ask is that you feed into the recommendations from the Review by providing evidence to the proposed Sector Qualification Advisory Panels.

Last year, I told you that we were extending the Bilingual Champions project to all further education colleges and I'm pleased to announce that all of the four remaining colleges have now appointed their Champions. Three have already started in their posts during March and April and are already planning how they will take forward the agenda of increasing Welsh-medium and bilingual modules and courses. This will allow Welsh-speaking learners wishing to continue with some of their

education through the medium of Welsh to do so in the colleges.

As colleges you have told us what steps you are taking to increase Welsh-medium provision for learners in your Submission Plans. And employing your own Bilingual Champion will allow you to prioritise and take action to fulfil your plans. Links between the Champion and the senior management team is therefore very important

One particular challenge for some colleges is the availability of Welsh-speaking staff with the required skills to teach through the medium of Welsh. Sgiliaith is a great asset and provides short training sessions and a MA module, through Bangor University, in bilingual teaching methodology. The

Sabbatical Scheme, which provides Welsh-language training for practitioners, with specific courses tailored to the FE sector, is also available across Wales to support the FE sector.

I am very pleased that this conference is taking place during Adult Learners' Week. It is an excellent series of events and a great opportunity for the sector to sell its wares.

The events that take part during this week give so many people the opportunity to join in. Many taster sessions can be a real stepping stone into further learning.

Last week I attended the Inspire Adult Learner Awards ceremony and it was clear at that event

what an important contribution FE makes to delivering for adults.

I want to encourage you to make even more links between the work that you do and Adult Community Learning as a whole. We must give people the opportunity to learn within their own communities, where they feel safe, and where they have opportunities that they may have felt were previously denied to them.

The transformation agenda hasn't impacted on the delivery of adult learning yet, but it will. We are currently looking at the existing structure of delivery of ACL and will be looking to making changes in the future. The face of adult learning is changing. It is no longer just about ensuring people have the

opportunity to learn for leisure, health and well-being reasons. With an increasingly ageing population, we have a job to do around re-skilling and up-skilling the adult population in Wales. You have a key role to play in doing this.

If we are truly to tackle the poverty problems in this country and get more of our population into the workplace, then we have to use every avenue for learning available to us – traditional established education systems; and community learning – to give our learners every chance to play an active role in our society and economy.

You are a crucial sector. Over the years you have consistently delivered and I want to thank you on



behalf of the Welsh Government for all the hard work you do.

But we must not get complacent. There is always room for improvement and change and we need to support you to ensure you have the mechanisms in place to continue to make our FE sector something to be proud of.

The changes that we have put in place through the Bill shows the level of trust that we have in you. We trust that you have the best interest of our learners at the heart of what you do. And we trust that you will deliver for them in an honest and professional way.

Our learners deserve a sector which is flexible, progressive, dynamic and focused; and I believe that is exactly what we can give them

Thank you and enjoy the rest of your conference.

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