

fforwm response to

the WAG consultation document: *Skills that Work for Wales: A Skills and Employment Strategy*

and

Promise and Performance: the Report of the Independent Review of the Purpose and Mission of Further Education in Wales



April 2008

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Introduction

1. fforwm welcomes the opportunity to respond to the Welsh Assembly Government's (WAG) proposals as set out in the consultation document: *Skills that Work for Wales: a Skills and Employment Strategy*. This response also embraces the Report of the Further Education (FE) Review chaired by Sir Adrian Webb (referred to hereafter as the FE Review or the Webb Review)¹. fforwm believes that this latter report sets out a clear vision for FE, which colleges are willing to take forward subject to a clear lead and appropriate financial and other support from WAG.
2. fforwm is the national organisation representing the 23 further education (FE) colleges and two FE institutions in Wales². It is an educational charity and a company limited by guarantee. fforwm's Board comprises college principals and chairs of corporations, appointed by member colleges. fforwm provides a range of services to its members including networks, conferences, research, consultancy and the sharing of good practice. It also works closely with a wide range of partners in post-16 education and training. Through fforwm, colleges are represented on various committees, working parties and other groups influencing and shaping policy in post-16 education and life-long learning.
3. FE colleges are a hugely successful sector, delivering high quality learning beneficial to learners and to business in Wales. In its evidence to the FE Review, fforwm pointed out that:

Colleges are the main deliverers of nationally recognised qualifications in Wales. In fact, no other sector comes close to matching the volume and range of education and training provided by colleges in Wales. Colleges also have an excellent track record in widening access to disadvantaged students and to those wishing to return to learning. Meeting the skills needs of their locality effectively and efficiently through well-established close links with employers is a strong feature of colleges' work. Colleges also have a major role to play in supporting and developing the local and regional economy by being:

¹ *Promise and Performance: The Report of the Independent Review of the Mission and Purpose of Further Education in Wales in the Context of The Learning Country: Vision into Action*, chaired by Sir Adrian Webb, December 2007.

² In this paper FE colleges and FE institutions are called 'FE colleges' or 'colleges'.

- *one of the largest employers of staff in a given area;*
 - *a major service provider, and*
 - *an important strategic partner to other external stakeholders including local authorities, schools and universities as well as employers and local/regional planning agencies.*
4. The contribution of colleges may be summarised as follows:
- responding to learner, community and employer needs
 - offering choice and diversity
 - demonstrating strong commitment to equality of opportunity
 - providing a wide range of access and progression opportunities
 - having comprehensive and effective support structures for students in terms of the provision of impartial advice and guidance as well as tutorial and pastoral support throughout their learning experience
 - strongly supporting the WAG agenda of raising standards and showing and demonstrating a commitment to raising quality and standards.
 - having a strong track record of partnership working for the benefit of the local and regional learning community
 - having support from governing bodies drawn from people with experience and expertise relevant to the college.
5. Colleges at present respond well to the needs of employers and learners. Evidence of this can be found in Estyn inspection reports and from the statements of stakeholders engaged with colleges. Colleges recognise that there is always room for improvement and are committed to the raising standards agenda. A key issue in working with employers is that greater flexibility and responsiveness will only be realised when funding for areas such as WBL is simplified and less bureaucratic than it is now (paras 2.3–2.7).
6. This paper has been shaped by fforwm’s members. All members have had an opportunity to input to drafts of this response and all have endorsed this paper. This response should therefore be considered to represent the views of all 23 FE colleges and the two FE institutions in membership of fforwm.

General comments

7. The consultation document: *Skills that Work for Wales* (henceforth referred to as the ‘draft Strategy’) was published one month after the Report of the FE Review. While overlapping in many ways with the Webb report, fforwm believes the former is not as clear cut as the latter and some recommendations conflict. This response therefore addresses the draft Strategy whilst drawing on the recommendations in the Webb Review.
8. Much depends on the decisions taken by Ministers on the proposals made by the Webb Review, for example, the setting up of 14-19 commissioning consortia; the possible reconfiguration of the post-16 education and learning sector including the setting of a minimum financial size for colleges and reducing the number of WBL contracts to 25; and the top slicing of college budgets to invest in employer training. If enacted, these will have a major impact on the WAG’s future employment and skills strategy.

9. In addition, the proposals set out in the Learning and Skills (Wales) Measure 2008³ will widen the range of options available at the age of 14, increase the number of vocational subjects taken from the age of 14, and encourage partnership. These proposals will also have an important long term impact on the finally adopted Skills and Employment Strategy.
10. **fforwm accepts the views put forward by Ministers in the Ministerial Foreword that skills are increasingly vital to the success of people, businesses and communities in Wales.**
11. **We welcome the establishment of the Wales Employment and Skills Board and expect it to develop clear communication channels with the UK Commission (paras 2.1–2.2).**
12. **fforwm shares the view set out in the Webb Review that FE colleges have a central role in the delivery of the skills that employers and the Welsh economy need and that this can best be delivered in partnership between colleges, employers and other providers, with a clear steer provided by the Welsh Assembly Government (WAG). We strongly support the positive comments in the Webb Report and more recently by the Deputy Minister for Skills that foundation degrees should be expanded in Wales. fforwm urges WAG to develop a clear approach to the development of foundation degrees in Wales and believes that the powers of FE colleges in England to offer foundation degrees should be extended to FE colleges in Wales.**
13. The draft Strategy is light on the contribution of higher education (HE) in developing the skills of the workforce. The importance of progression into higher level skills is a key part of the Leitch proposals. Colleges are well placed to work closely with HE institutions (HEIs) in ensuring progression for learners taking vocational subjects.
14. **fforwm urges WAG, after carrying out its extensive consultations on the draft Strategy, and indeed on the FE Review, to make bold decisions on the way ahead.** Colleges do not want an extended period of uncertainty and indecision. This will not benefit learners, communities or employers. They expect a clear lead from WAG.

³ Proposals for a Learning and Skills (Wales) Measure 2008, Welsh Assembly Government, January 2008

CONSULTATION QUESTIONS

Question 1: Broad policy direction

15. **fforwm accepts the need to drive up skill levels in Wales and the vision of a strong and enterprising economy with full employment based on high quality, highly skilled jobs. We support the creation of a successful post-compulsory education and training system as set out in para 1.4. fforwm welcomes the setting up of the Wales Employment and Skills Board, which has a key role in strengthening the voice of employers in shaping skills and in helping bring together providers of learning with the wide range of employment sectors in Wales.** The views of employers are of course varied, reflecting the diverse and distinctive contributions made by small and large businesses. There is no single employer voice in Wales and it is important that the views of a wide range of organisations and representative bodies are taken into account.
16. **fforwm accepts that responsibility for raising skills levels is shared between government, employers and providers.** An effective partnership based on trust is important. Employers must be encouraged to work closely with colleges in identifying their skills needs and agreeing training programmes. Funding should be allocated on the basis of this partnership. **The Webb Review refers to the establishment of the Employer Entitlement Fund and the Workforce Development Account. The draft Strategy refers to the Sector Priorities Fund. There needs to be rationalisation of the funds to avoid duplication and much wasted effort.**
17. Colleges have always accepted the partnership approach set out in the document but believe that funding needs to be focused to encourage cooperation that takes account of the added costs of partnership. At present funding encourages competition rather than cooperation.
18. **As public bodies regulated by WAG, colleges are well placed to take forward the ambitious strategy set out for raising skills and employment levels.** Indeed, colleges could become more significant if the reconfiguration proposed by Webb led to colleges forming larger units either through confederation, merger or some other form of partnership.
19. **In the context of changes in the global economy, colleges fully support the drive to increase the employment rate in Wales from 71.2% to 80% of the working population.** It is not acceptable or economically feasible for so many people of working age not to be in work. But to give these potential employees the self-confidence as well as the skills to gain employment is a challenging task. It will require a strategic investment in skills development (para 1.16). We have some concerns that the funding arrangements in respects of delivering employer based training may be overly bureaucratic. What we need is a system that, while ensuring that public money is properly spent, is flexible, responsive to needs and encourages speedy response times.

20. **The draft Strategy might have focused more on the overall population trends in Wales.** Demographic trends show that over the next 20 years the number of 16-19 year olds will decrease by around 13% while the 19+ population will increase by around 15%. At present current policy focuses on the needs of the 16-19 year olds rather than older workers. **In its evidence to Webb, fforwm argued that legislation which gives priority to 16-19 year olds needs to be amended to take account of the changing population profile (see also para 44, below).**

Question 2: Priority actions

21. Priorities need to reflect the targets set by Welsh Ministers in consultation with employers, colleges and other providers. These priorities will gradually change from year to year. Actions to meet these priorities need to be responsive and flexible and take account of changing circumstances. For example, the demand for skilled construction workers is likely to be influenced by the 2012 Olympic Games, which will draw on workers from a wide area outside London. After 2012, demands will change. New businesses springing up in Wales might bring short-term demand for training in specific business-related skills.
22. **A key focus on improving the level of basic skills covering literacy and numeracy is essential.** The merging the Basic Skills Agency with WAG gives Wales a vital opportunity to ensure joined up policy in this area. The fact that Wales lags behind other parts of the UK in respect of numeracy and literacy levels is not acceptable. The problem of basic skills starts with schools. Colleges are required to carry out basic skills tests for all learners who receive more than more than five hours of tuition per week. The results of these tests have confirmed that the levels of literacy and numeracy are often lower than the official statistics. Colleges are then faced with urgent remedial action to address individuals' low basic skills. This is of course far too late.
23. **There also needs to be a standard approach for measuring the level of basic skills across Wales. At present there are various screening methods in place, which inevitably leads to inconsistency in results.**
24. **The Webb Report puts forward an interesting proposal that headteachers and college principals should be accountable officers with direct responsibility for basic skills attainment levels (R9). fforwm is not ruling this out but believes there needs to be full discussion of the implications of such an approach.**
25. While recognising that there needs to be increased investment at the school level on basic skills, it is important to ensure that there is a statutory entitlement to free basic skills learning for those aged over 16 who require development in this area.

26. **fforwm recognises the key importance of Sector Skills Councils (SSCs) in bringing together employers and colleges.** The Webb Report points out that there is still more to be done and draws attention to the fact that some employers still have little contact with the SSC responsible for their sector. However, SSCs are already starting to adopt a leading role in employer-led demand for training. A number of SSCs are currently in dialogue with representatives from FE colleges via fforwm's Work Based Learning Network. Over a twelve-month period, colleges' work based learning managers will have the opportunity to meet representatives from all SSCs. The SSCs, particularly the smaller ones, value this contact highly.
27. fforwm with Skills for Business in Wales set up a liaison group to bring together representatives of colleges and SSCs. fforwm intends to continue this arrangement now that many of the functions of the Sector Skills Development Agency have been taken by the Wales Skills and Employment Board.
28. In respect of Lifelong Learning UK (LLUK), the SSC which covers the post-16 education and lifelong sector, fforwm has established a close and positive relationship, being represented, for example, on the LLUK Wales Country Panel and on the main LLUK Board and advising on the Sector Skills Agreement (SSA).
29. **fforwm welcomes the statement that SSCs should focus on increasing employer engagement, demand and investment in skills; undertaking labour market needs analyses; and informing development of new vocational qualifications (paras 2.8-2.10). However to achieve these, they need to be fully supported by other key agencies such as awarding bodies and colleges. Their funding from WAG must be sustainable to enable them to have the capacity to deliver these services.**
30. The match between SSAs and Sector Qualifications Strategies (SQSs) (based on the SSAs) to identify what learning provision and qualifications are needed to meet skills needs is a sensible way forward. fforwm supports the suggestion that the new vocational qualifications and units should reflect the SQS for each sector and that all future vocational qualifications will have credit as an integral element.
31. It is curious that the draft Strategy fails to give any consideration whatsoever to the important role of awarding bodies. fforwm considers that meeting the skills challenges faced by Wales requires the close involvement of awarding bodies working closely with SSCs, providers, and employers in ensuring that vocational qualifications meet the needs of the economy in Wales. fforwm works closely with awarding bodies in Wales, holding joint meetings to consider current developments. College representatives are involved in committees and working parties set up by awarding bodies. Colleges also work closely with awarding bodies and see the evaluation reports of external verifiers as central to raising performance. fforwm accepts that there are currently too many small awarding bodies and supports the drive to reduce the number and rationalise provision.

32. **fforwm also believes there are too many vocational qualifications. This is confusing to employers, learners and parents. fforwm supports the rationalisation of vocational qualifications (see para 60, below) and, as noted above, welcomes the statement that all future vocational qualifications will have credit as an integral element (para 2.15).**

Question 3: Does the strategy strike the right balance between the needs and responsibilities of individuals, businesses, and communities?

33. Striking the right balance between the needs and responsibilities of individuals, businesses and communities is not always straightforward. Many employers may not be clear as to their long-term training needs. Some employers may make decisions on which training providers to use based on price. They may not have the capacity to check that the training received is of high quality. In national terms, their training needs might not match the wider demands of the Welsh economy.
34. There is also the question of defining 'community'. In this response, the term 'community' refers to a geographical area. It should be recognised that the needs of communities are often complex and difficult to capture in a coherent policy. For example, there may be pockets of deprivation in a wealthy area and concentrations of wealth in poor areas. Furthermore, communities can be defined in other ways, such as communities of association e.g. clubs, interest groups and residents' associations.
35. **fforwm strongly believes that employers and colleges and other providers should work more closely together in drawing up training programmes that meet the needs of employers, are cost effective and of high quality. If this is the approach to demand-led training that the WAG adopts, colleges will welcome the challenge.** Although WBL forms only a small part of colleges' overall activity, moving towards a more demand-led approach will prompt colleges to continue to look critically at the services they provide and ensure that they are more responsive to demand generated from both employers and learners.
36. **The formal arrangements for the planning of education and training provision on a regional basis is currently confused and requires clarification as a matter of some urgency.** For example, there have been no formal proposals or recommendations about the replacement of Community Consortia for Education and Training (CCETs). The important role of DCELLS in the development of 'Integrated Learning Networks' also continues to be unclear to many providers and needs to be resolved as soon as possible.

SPECIFIC QUESTIONS

Question 4: What are your views on our proposed financial Contributions policy?

37. **fforwm recognises that investing in skills must be a shared responsibility. fforwm supports a fees policy asserting that those who can afford to pay fees should do so** (paras 2.11–2.14). However,
- adults on low incomes must not be priced out of education and concessions should be incorporated for some categories of adult learners
 - provision must be sustainable within a mix of fees and concessions
 - there must be sufficient flexibility to enable initial engagement activities to be undertaken for particular groups of learners.
38. In its evidence to the Webb Review, fforwm identified a number of vulnerable and hard to reach learners and potential learners. Public funding should be made available to support such individuals.
39. The total number of people of working age who are economically inactive in Wales is around 400,000. The reasons for inactivity are varied and complex and not all of these are from hard to reach categories.
40. The Leitch Review has shown that unequal access to skills has contributed to high rates of child poverty and income inequality in the UK: “There are clear links between skills and wider social outcomes, such as health, crime and social cohesion”.⁴
41. Under a categorisation of need, some adults (specifically those who have not achieved NQF Level 2) should be given free access to education/training up to Level 2.
42. The approach would need to incorporate individual learning plans, negotiated with an effective Adult Careers Advisory Service (as stated in the Leitch report⁵). This would mean that learners could still take flexible routes through to Level 2 but it would prevent those who do not actually want a qualification from accessing free provision. In terms of engagement activity and meeting the needs of adult learners in different environments, the inclusion of OCN credits would be essential.
43. Funding to support entitlement would need to be sensitive to the fact that adults will achieve Level 2 at very different rates. A mechanistic system that awards funding on achievement within a limited period will leave adults vulnerable to failure or provision being withdrawn.

⁴ HM Treasury (December 2006) *Prosperity for All in the Global Economy – World Class Skills Final Report of the Leitch Review of Skills*, p9, para 13 (the Report makes reference to DfES (2003) *Education and Skills: The Economic Benefit*)

⁵ Leitch Review op.cit. para 76

Legislative Change

44. We recognise that difficult decisions must be made within tight funding constraints on the balance between pre-19 and post-19 education. As the current legislation gives priority to pre-19 education⁶, adult education is vulnerable. The recent shift of emphasis towards 14-19 education has had a major impact on adult education as providers adapt their strategies to maximise funding. **One consideration might be to strengthen the legislative framework so that providers have a statutory responsibility to provide a 'proper' level of adult education. A policy such as this could again be targeted at adults lacking Level 2 qualifications.**

Fees Policy

45. fforwm has no difficulty in supporting a fees policy asserting that those who can afford to pay fees should do so. There needs to be an appropriate balance between the individual, the state and employers.
46. In order to support a fees policy, it is suggested that the WAG would need to take steps to implement the following:
- an all-Wales policy on fees that includes all providers in the FE sector and local authorities. Without this, learners will gravitate towards the cheapest provider irrespective of quality
 - as suggested above, the need for adult learners to sign up to an individual learning plan would act as a 'gate' so that free provision could only be accessed this way. All other provision would attract fees
 - while recognising the difficulties inherent in separate funding systems, we suggest that there would be considerable benefits in an agreement that provision by HE institutions at sub degree level should be included in an all-Wales policy.
47. **There needs to be increased investment in FE and the post-compulsory education and training system in general to ensure that the objectives set out in this draft Strategy are achieved.** The Webb Review provided clear independent evidence that investment in the FE system in Wales is falling behind that of FE colleges in England. This is particularly true in the case of capital funding where the startling figures produced by Webb show the extent that colleges in Wales have fallen behind the other UK nations⁷.

⁶ *The Further and Higher Education Act 1992* as amended by the *Learning and Skills Act 2000* refers to the provision of 'proper facilities' for 16-19 provision and 'reasonable facilities' for 19+ learners

⁷ Webb shows that capital expenditure per head of population in Northern Ireland is around four times as high as in Wales. Scotland is 3.5 times as high and England around 2.4 times as high. *Promise and Performance* op. cit. p 102

Question 4 (a): Do you agree with the case for change?

48. We accept that, as Wales is falling behind the rest of the UK in a number of key indicators in respect of skills, there is a strong case for change. There must be, for example, greater symmetry between policy and funding.
49. Colleges are well equipped to respond to change. Virtually all of the 270,000 learners attending colleges attend voluntarily – they are not compelled by the State or by their employers to attend; they simply leave if they are not satisfied. As such, colleges have to ensure they respond continually to the needs of their learners.
50. Some commentators have described colleges as the ‘can-do sector’ which given a clear lead and resources to match can be relied upon to deliver. Colleges are looking to the WAG for a clear lead on the way ahead so that they know what is expected of them.
51. A research study commissioned by the Department for Enterprise, Innovation and Networks (DEIN) and carried out by the University of Cardiff⁸ shows that each £1m of FE sector output supports a further £0.56m of output (an output multiplier of 1.56). Thus the total output of the FE sector of around £400m in 2006/07 supports a further £224m output – a total of £624m. This contribution compares broadly with other parts of the public service.
52. The Scottish Executive commissioned research showed the return on investment in qualifications. It was based on models used by the Treasury Green book and used complex formulae. The report concluded that each £1 invested in FE in Scotland generated an additional £3.20 for the economy in Scotland. The authors state this was a cautious estimate⁹. These calculations do not take account of wider benefits such as learning being associated with improved health, reduced crime levels, and growth in self-confidence.
53. A study of Canadian colleges showed that Canada’s colleges are a sound investment from a variety of perspectives. Students benefit from increased earnings and improved lifestyles; taxpayers benefit from an enlarged economy and lower social costs; and society as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds and an eased tax burden.¹⁰

⁸ *The Impact of Further Education Institutions on the Economy of Wales*, DEIN, January 2007

⁹ *Review of Scotland's Colleges*, Scottish Executive 2006

¹⁰ *The Economic Contribution of Canada's Community Colleges and Technical Institutes: An Analysis of Investment Effectiveness and Economic Growth*. Association of Canadian Community Colleges (2006). Quoted in *Building a Better Scotland, Strategic Spending Review Submission 2007*, Association of Scotland's Colleges, 2007

54. A study published in England of 10,000 learners aged 20-55 who had fee remission because they were receiving out of work benefits, showed significantly positive effects from learning in terms of moving into work and improving employability¹¹. The draft Strategy itself draws on evidence showing that people are better off when in work and that worklessness is associated with deprivation and physical and mental ill-health.
55. **WAG should identify much more strongly the return on investment in skills for the individual, the employer and the taxpayer.** Too often the language of 'cost' and 'expenditure' rather than 'investment' and 'return' is used. fforwm recognises that funding has to be constrained but it should be more clearly recognised that investment in education and training returns wide financial benefits. This may help Ministers compete for resources from spending departments covering health, transport and housing. Education is for the long-term; it cannot provide short term solutions to long standing problems.

Question 4 (b): Do you agree that public funding should focus on ensuring that everyone is equipped with the basic platform of skills necessary for employment and participation in community life?

56. **fforwm agrees that the focus should be on ensuring that everyone is equipped with the skills necessary both for employment and participation in community life. The two are linked.** Often, the confidence and skills gained through participation in community life are central to what employers are looking for. Various Future Skills Wales surveys show that employers want what are often misleadingly called 'soft skills' - team work, communication and customer handling as well as literacy and numeracy¹². This is reinforced by recent Learning and Skills Network (LSN) research which showed that employers often expect the State to help people develop the basic skills essential for employment and 'well rounded people who are good timekeepers' with the employer being willing to contribute to more job specific vocational and business skills¹³.
57. **The funding regime is the most effective way of stimulating and supporting collaboration between providers and employers. Funding also has to achieve a balance of responsibility between employers, individuals and the state. We believe that employers must pledge to make a fair contribution to training.**

¹¹ *Impact of Learning on Employability: Key Findings*. Learning and Skills Council, England, January 2008

¹² *Sector Skills Survey Future Skills Wales*, Welsh Assembly Government, 2005

¹³ *Employability Skills Explored* Learning and Skills Network, April 2008 (reported in Times Educational Supplement FE Focus, 4 April 2008, p.1

58. **fforwm has some reservations about funding for training being top-sliced from college budgets and directed towards employers.** Experience has confirmed that it can be difficult to obtain a truly representative view of the education and training needs of employers. There are also concerns that the smaller employers will focus their attention on short term needs rather than building capacity for the medium and longer term needs of the Welsh economy. **Furthermore, it is not clear what colleges should stop doing as a result of the top-slicing of funds to be directed towards employers.** Should colleges stop carrying out certain post-19 courses? Should they charge 'full cost fees' for courses? The latter has happened in England and has led to a reduction of 1.4 million adult learners over two years. Such a result would undermine the progress made in turning Wales into 'the Learning Country'.
59. **One Wales¹⁴ promises to consider moving to providing schools and colleges with funding for a minimum of three years. This would align funding to colleges' 3-year strategic plans far more effectively. The draft Strategy does not provide any reassurance that this will be delivered or that funding to large providers such as colleges will become more predictable or stable.** Under the current system, significant changes to funding are often introduced too late to allow colleges to respond accordingly. For example, college budgets were frozen in 2006/07 at the same level of funding as the previous year. This was totally unexpected with colleges being informed very late in the planning cycle, resulting in some very difficult decisions having to be made without the benefit of mature reflection. This year, colleges have had to cope with major problems associated with work-based learning and, in particular, the funding of Technical Certificates. Again, this last minute change of policy was unexpected and has caused the sector major problems which could and should have been avoided.

Question 5: Do the proposals go far enough in giving employers, as customers of the skills system, influence on the content and delivery of skills programmes?

60. **Employers need to be well briefed about the qualifications system if they are to lead the demand for training and if they are to be in a position to articulate their training needs clearly. There are too many qualifications on offer, which poses problems for employers. Rationalising the number of qualifications should make it easier for employers to understand them. The UK Government has just published a paper on the future of 14-19 qualifications that sets out plans to reduce the number of vocational qualifications and to move towards a new credit based system by 2013. The intention is that many existing courses will be subsumed within the new work-related courses¹⁵. fforwm has been invited to participate in the UK**

¹⁴ *One Wales: A progressive agenda for the government of Wales.* An agreement between Labour and Plaid Cymru Groups in the National Assembly. June 2007, p.22

¹⁵ See article with the misleading title 'Vocational courses to be squeezed out' Times Educational Supplement 4 April 2008, p12

Vocational Reform Programme (UKVRP) and supports the approach being adopted to create a new generation of awards better matched to the needs of employers (para 2.15).

61. **In respect of business support, experience of human resource development (HRD) advisors in colleges has not always been positive. Colleges report very few referrals from these individuals. A full evaluation is needed of the benefits of HRD advisors and an agreement as to their role and function before the numbers are expanded or funds allocated to them.** At the Skills and Employment Strategy consultation event held in Swansea on 15 February 2008, colleges and SSCs reported minimal contact with the current HRD advisors. If they are to be appointed, then they must be expected to have more systematic contact with FE colleges and develop closer links with SSCs than they have done hitherto.
62. **Colleges are sceptical about the added value of expanding the HRD adviser network to 175 by 2008.** If the intention is to increase the numbers in the current year (2008), then these posts will have to be filled over the next few months. There does not appear to be a budget for this expansion unless, in the longer term, part of the £40-£50m top sliced for employer training under the Webb proposals, or through the proposed Sector Priorities Fund, is allocated to this purpose (paras 3.9-3.12).

Question 6: Specific proposals

Question 6 (a): Recognising and rewarding excellent provision

63. fforwm acknowledges the draft Strategy's emphasis on ensuring that funding is linked to quality. The FE Review emphasised the need for: "excellent institutions embedded in excellent provider networks characterised by high standards, close collaboration and efficient use of resources".¹⁶
64. **FE colleges support the recommendations of the Webb Review that Estyn Grade 2 should be the accepted standard for all provision by 2010 as a pre-requisite for funding, provided that the Estyn grading reflects a standard rather than a normative figure.** In other words, individual colleges should not be judged against a national average. Rather, performance should be judged against a high standard to which all can aspire.
65. **fforwm also acknowledges the importance of an institution achieving at least a Grade 2 in Leadership and Management by 2009 and accepts the need for urgent action whenever this level is not reached, provided that the context and overall circumstances are taken into account.**

¹⁶ *Promise and Performance*, op.cit., para 1.35.

66. There is, however, a note of caution that underpins the above comments relating to Estyn inspection grades. Estyn is reviewing its inspection profile and is likely to alter the way grades are awarded. Any recommendations on funding linked to quality need to reflect the new arrangements. In addition, if new inspection arrangements lead to a change in emphasis, it becomes more problematic to compare progress over time.
67. **fforwm strongly supports the comment that there needs to be a lighter touch inspection regime for institutions performing to a high standard and acknowledges the importance of excellent providers disseminating best practice** (para 2.23). fforwm understands that DCELLS is planning to amalgamate the Provider Performance Review into the inspection process; a step fully supported by fforwm.
68. **FE colleges have already embraced the raising standards agenda. fforwm is leading an initiative to develop self-regulation with its member institutions.** In this approach, quality assurance is viewed as an organisational responsibility. Self-regulation is not a soft option but must be hard-edged, rigorous and evidence based. There is much expertise residing in colleges in Wales which can be harnessed to help improve performance. fforwm has run a number of seminars in which colleges share good practice. As an example, one college which received an excellent inspection report recently ran an open day for other colleges to learn from its experience.
69. fforwm also believes that self-regulation should complement and not cut across or undermine external inspections. It is right and proper that there should be external regulation of public sector bodies.
70. fforwm has established a Quality Assurance Group to oversee development of its self-regulation strategy; to act as assurance/validation group for activities and progress; to engage actively with DCELLS and Estyn to ensure inspection/quality frameworks meet the needs of the sector; and to ensure that regulation is proportionate to the level of risk. A central component has been the use of benchmarking and the sharing of data with the aim of ensuring that learners complete their courses and achieve qualifications. Data from benchmarking should identify best in class and identify areas requiring support.

Question 6 (b): Focus on priority areas and businesses in our workforce development programmes

71. **fforwm gives general support to the proposed priority areas set out in para 3.7 i.e. a focus on priority sectors and businesses, supporting businesses committed to growth and best practice, encouraging leadership and management potential, and greater rewards for transferable qualifications.** Developing effective leaders and managers with a commitment to raise the skills levels of their employees will make a significant contribution towards ensuring high performing companies and businesses in Wales. It will be important that there is cross-government department agreement on priority sectors and businesses and that selecting

priority areas is not as rigid as to exclude unanticipated demands for skills that may arise through a major company relocating to Wales or changing its services.

72. There may also need to be serious thought given as to how to encourage companies with a poor track record in HRD into the 'skills family'. To exclude these may deprive many employees of opportunities for development.
73. The draft Strategy reinforces the view that the voice of employers should be central to the new Employment and Skills Board and to the SSCs. **However, the draft Strategy does not place sufficient emphasis on the needs of small and micro sized businesses which employ a considerable proportion of people in Wales and perhaps, like Leitch, places too much faith on the long-term ability of all SSCs to reflect the voice of business.**
74. The match between Sector Skills Agreements (SSAs) and Sector Qualifications Strategies (SQSs) (based on the SSAs) to identify what learning provision and qualifications are needed to meet skills needs is a sensible way forward. **fforwm would support the suggestion that the new vocational qualifications and units should reflect the SQS for each sector and that all future vocational qualifications will have credit as an integral element** (see also para 60, above).

Question 6 (c): Directing more of existing resource into Workforce Development Programme and Sector Priorities Fund (paras 3.8 – 3.14)

75. **Colleges might express reservations about the proposed new Sector Priorities Fund to deliver strategic learning priorities identified by employers. It is not clear how this relates to the Employer Entitlement Fund and the Workforce Development Account recommended by Webb. Nor is it clear how this would be funded.**
76. **These funds need to be rationalised. Rules for drawing on the funds need to be devised which would enable FE colleges and other providers to respond quickly to the requirements of employers.** There may need to be some 'risk' money set aside to invest in skills demands that are as yet unknown.
77. The development of these funds will be challenging for colleges. In order to ensure they can plan their provision effectively, colleges need to know what work based provision they need to offer. Each college will have to work closely with employers to draw up training needs analyses and subsequently plan appropriate training at a time, quality and cost that suits both the employer and the wider demands of the Welsh economy (paras 3.13-3.14).
78. **Other points such as increasing the number of modern apprentices, encouraging FE and HE to work with employers are laudable.**

Question 6 (d): Encouraging stronger links between employers, FEI and HEIs (3.13-3.14, 3.21-3.26)

79. **We welcome the statement (para 3.14) that the core requirement for any bid for funding for skills development must involve an FEI alongside sector bodies and businesses.** The Webb Review also emphasises the importance of strong partnership between employers, FEIs and higher education institutions (HEIs) in delivering the skills that are needed in Wales. **We support the recommendation in the Webb Review (para 4.20) that FEIs should become: “a major driver of local and regional economic development through their role in delivering skills”.**
80. **fforwm strongly supports the Webb Report’s support for the development of foundation degrees (FDs).** In contrast, the draft Strategy is lukewarm about foundation degrees, and is hence at odds both with the Leitch Report and the FE and Training (FET) Act 2007. **fforwm believes that WAG should develop a coherent strategy in respect of the development and expansion of FDs in Wales. This should acknowledge the importance of increasing the level of higher technical skills and seek to bring together employers and providers, including FE colleges and HEIs.**
81. **Under the FET Act 2007, FE colleges in England have the power to offer and validate their own foundation degrees, subject to approval by the Privy Council.** The relevant clause in the FET Act was robustly debated in both Houses, but the clause that was finally passed received cross party support. During debate in the House of Lords, one of the greatest critics of the awarding of such powers to FE colleges, the Chief Executive of Universities UK, accepted that the UK Government’s amendments and detail provided during the passage of the Bill had “provided substantial reassurance”.¹⁷ **Now that the FET Act 2007 has become law, it is inequitable and indefensible for that same power not to be extended to FE colleges in Wales.**
82. This extension of powers would not undermine the close working relationships that exist between FEIs and HEIs in Wales. It would however increase the number of foundation degrees in Wales – which is necessary for the future health of the economy, according to the Leitch report¹⁸. The current number of foundation degree graduates is very much lower than in England and the number of foundation degrees on offer by providers is also paltry by comparison. The Webb Report recommended a consultation on the granting of foundation degree awarding powers to FE colleges (R85). Since then, the Deputy Minister for Skills, John Griffiths, has stated that the WAG is “keen for further education institutions to have those foundation degree awarding powers” and that WAG wants to “move to a situation where further education

¹⁷ Baroness Warwick of Undercliffe, Hansard 6 March 2007 Column 140.

¹⁸ The Leitch report recommended a step change in the provision of Level 4 qualifications. The take-up of HNDs has been dropping over the last few years. In order to achieve a significant expansion in Level 4 provision, it is necessary to look at diversifying the Level 4 mix and to develop more foundation degrees, rather than awarding a monopoly to HNDs, especially given their decline in popularity.

institutions have the power to award those foundation degrees themselves".¹⁹
fforwm welcomes the Deputy Minister's statements on the matter.

Question 6 (e): Establishing an integrated skills and employment service based on the overarching 'Careers Ladder' model (4.11 -4.25)

83. **The Careers Ladder approach set out in para 4.11 (six phases are set out covering the careers journey) are a sensible way forward.**
84. Colleges are keen to work closely with the new Communities Next initiative and the DWP City Strategy pathfinder areas to help tackle the problem of worklessness.

Question 6(f): Reviewing the 'Careers Ladder' model

85. **fforwm agrees that the careers service should be independent and impartial and the careers advice should be well informed and accessible.** Wales has benefited from an all-age service benefiting individuals as they develop their careers or seek to move into new jobs.
86. **Colleges support the proposals in the Webb Report for a restructuring of Careers Wales to create a unitary organisation (R90), and that a review of its targets should be undertaken to ensure they are 'outcome' rather than 'activity' driven.**
87. fforwm hopes that the section on careers advice is strengthened in the finally adopted Strategy, and refers to the Webb Review's hard-hitting comments and evidence on young people's rights.²⁰
88. In England, Clause 66 in the Education and Skills Bill gives young people the right to impartial careers advice. If the Bill becomes law, it would become illegal for careers advice to put the interests of the institution above that of the individual learner.
89. **fforwm would support the WAG if it were to seek to pass a similar measure to that contained in Clause 66 of the Education and Skills Bill²¹ for Wales.** This clause amends section 43 of the Education Act 1997 and in reference to careers advice states that:

¹⁹ Statements made to the NAW Enterprise and Learning Committee, 27 February 2008. Transcript available at: [http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third-
assem/bus-committees-third-els-home/bus-committees-third-els-
agendas.htm?act=dis&id=77690&ds=3/2008](http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third-
assem/bus-committees-third-els-home/bus-committees-third-els-
agendas.htm?act=dis&id=77690&ds=3/2008)

²⁰ The Webb Report, op. cit., para 3.50.

²¹ Education and Skills Bill 2007, Clause 66(2).

(2B) Any such information must be presented in an impartial manner, and:

- a) any such advice must be advice which the person giving it considers will promote the best interests of the pupils concerned; and*
- b) accordingly, in giving the advice, that person must not seek to promote, contrary to the pupils' best interests, the interests or aspirations of the school or of other persons or institutions*

90. **fforwm supports the proposals to provide seamless services on the lines of the 'Careers Ladder' Wales approach.** The operating model for Careers Wales needs to be considered carefully. The careers service faces serious barriers as to how well it can deliver an unbiased and impartial service to 14-16 year olds. The interests of learners should take priority over those of institutions.

Question 6 (g): Refocusing Skillbuild and Individual Learning Accounts (para 4.21)

91. **We accept the Webb proposal²² that DCELLS should declassify Skillbuild as work-based learning and that it should be funded as part of the overall provision for the most disadvantaged learners and as part of adult learning programmes.** Individual Learning Accounts could also be used to encourage take-up of Skillbuild programmes. It may well be that the proposed Ambitions Programme, intended to replace the adult element of the Skillbuild programme (para 4.18), which focuses on the needs of disadvantaged adults, could be classified in the same way.

Question 6 (h): Funding and support for basic skills

92. **fforwm supports the proposal to consider the benefits of statutory entitlement to free basic skills learning for all post-16 learners and to invest in continuing professional development for tutors teaching basic skills.**
93. fforwm notes the new concordat between WAG and the third sector to widen their opportunities to work together and support greater community ownership of priorities for ACL reflected in the way WAG plans and commissions this type of learning. **Additional resource needs to be identified and ring-fenced to support tutors in gaining the Level 3 and, increasingly, Level 4 teaching qualification which is necessary in order to drive up basic skills levels.** The expansion of these qualifications will help to improve the professionalism of basic skills tutors and contribute to the development of a career path for those interested in taking up this work.

²² Webb Report, op.cit., para 10.8.

Question 6 (i): Identifying and targeting groups most at risk (para 5.10-5.14)

94. **fforwm accepts the list of the groups requiring most support.** We particularly acknowledge the importance of focusing on those not in education, work or employment (NEETs). Much emphasis has been placed on NEETs in the 16-19 age group. While such an approach is sensible, it is important that investment in tackling the NEETs challenge extends into the 19+ age group. Local and regional strategies for NEETs are essential as the needs of this group will vary widely across Wales.

Question 6 (j): Supporting community-based learning through reform of adult community learning (para 5.15-5.17)

95. The Webb Report identifies around 375,000 young people and adults facing major educational disadvantage. Added to that figure are learners requiring basic skills remedial support.
96. These individuals have often have had negative experiences of education at school. They often require non-traditional, personalised and potentially expensive help. The education and training costs should, however, be balanced against the substantial costs to other areas of the public purse if nothing is done. **fforwm, therefore, supports the move to concentrate collective effort on assisting those most in need to help them gain the self-confidence and competences necessary to realise their potential.**
97. **fforwm would support the Webb Report's recommendation that DCELLS should refocus ACL funding on those who have not achieved Level 2 and to the most educationally disadvantaged. A more strategic fees policy needs to be developed to include the pooling of budgets across FEIs and local authorities.** However, as noted above, if one-third of the post-19 budget is top-sliced to pay for employer development, how can WAG ensure that ACL is not damaged in the same way as it has been in England?
98. In order to facilitate the required level of support for a community-focused strategy for ACL, different departments within the WAG will need to pool resources and expertise. Joint planning, sharing of information, the creation of cross-departmental funding systems and strategic frameworks will be required. ACL often relies on partnership and collaboration and funding often comes from a variety of sources. A more comprehensive framework to support ACL would bring future efficiencies and stability. This strategic approach by the WAG will be necessary to ensure that best use is made of convergence funding to support ACL as part of community development and regeneration initiatives.

Question 7: What are the most important measures of success (paras 1.16 – 1.19)

99. The targets set out in para 1.18 are lower than those set out by Leitch.²³

For example, Leitch proposes targets of 95% of adults to have functional literacy and numeracy, 90% of the adult population qualified to at least Level 2; and 40% qualified to at least Level 4. The corresponding targets for Wales in the draft Strategy are 80% (Level 1 literacy), 55% (Level 1 numeracy); 70% (Level 2), and 30% (Level 4). The targets in Wales are for 2010, which is too short a timescale, compared to those in Leitch, which are for 2020. **It would be more sensible to develop higher targets with a longer timescale for Wales, too.**

100. It will be important to ensure that key performance indicators (KPIs) are common across education and training institutions and that similar data systems are used to measure results. For example, having two separate systems (the LLWR and the PLASC) has made comparisons on performance very difficult between schools and the FE sector and training providers.

101. KPIs used in FE include the following:

- student recruitment – this must be widened to take into account where students are recruited from
- student attendance
- student retention
- student attainment
- value-added
- student progression
- quality of teaching and learning
- value for money.

102. These KPIs need to be benchmarked against good and comparable data for Wales, the UK and Europe, provided by WAG.

103. In addition, indicators that measure progression into employment, employment rates and economic activity should be devised. Examples might be:

- level of investment committed by employers in receipt of public funding for the development of their workforce
- % of newly trained entrants into the workforce who are still in work 1, 2 and 2+ years after appointment
- % of newly trained entrants who progress on to further training 3 - years after receipt of their initial training.

²³ *Prosperity for All in the Global Economy – World-Class Skills*. Final Report. Leitch Review of Skills. HM Treasury. December 2006.

Comments on the FE Review Chaired by Sir Adrian Webb

104. **While not accepting all of the 136 recommendations in the Webb Review, fforwm believes that in its entirety it gives a clear and strong steer as to the future of post-14 education and lifelong learning in Wales.** The Review team took evidence from a wide range of organisations and commissioned its own research. Its conclusions were firmly based on evidence. The FE Review therefore should be seen as underpinning the draft Strategy, providing solutions to some of the proposals contained in the draft Strategy.

14-19 Commissioning Consortia

105. There is an acknowledgement that the 14-19 arrangements have not really worked. In its evidence to the Webb Review, fforwm pointed out:

With some notable exceptions, often in areas where there are tertiary colleges and 11-16 schools, the current voluntarist system, especially at 14-19, is very difficult to achieve and in many areas is not working. Partnership and collaboration requires mutual commitment and trust between providers, which, as Estyn²⁴ has showed, is often absent. There are too many providers competing to retain or enrol learners at the age of 16²⁵. It is not the fault of institutions. They are responding to the way they are funded. It is the system and the structures which need to be reformed.

Tinkering with the current arrangements will not be sufficient. What is needed is a new structure in which the learner has as smooth a transition at 16 as a 5 year old has in joining a primary school, an 11 year old has in transferring to a secondary school and an 18 year old has in enrolling at an HE institution.

106. **There are three broad possibilities for improving current 14-19 arrangements:**

- **carry on with current arrangements in developing closer partnerships**
- **set up 14-19 commissioning consortia as proposed by Webb**
- **carry out a reorganisation of post-16 education by creating a tertiary structure.**

107. **As noted above, fforwm believes that the current voluntary arrangements are not effective and there is little evidence that more of the same would in fact work.** While working relationships between educational institutions have improved, important and sometimes difficult decisions are not taken as schools and FE colleges inevitably compete for learners.

²⁴ *Collaboration between schools with sixth forms and further education colleges to deliver flexible high quality provision that expands choice and achieves value for money, Estyn, 2006.*

²⁵ *There are 25 FE colleges, compared with 170 school sixth forms, 22 local education authorities, around 100 training providers as well as adult, voluntary and community learning institutes. The 271,000 learners in FE may be compared to the 29,000 attending school sixth forms.*

108. The proposed 14-19 commissioning consortia are intended as a radical solution to the fact that current 14-19 partnerships are not working. Funding would be removed from local authorities and given to these new consortia which would fund and plan provision with quality and critical mass being key determinants and not price.
109. Commissioning consortia would plan for a wider range of options, including work-related learning options for young people; offer independent advice; provide a range of pedagogical experiences; develop personalised learning plans for learners, create efficiency savings through increased specialisation and consolidation of smaller class sizes; and embed a significantly improved culture of collaboration across Wales. These are ambitious aims.
110. The emphasis on increasing the range of options is currently under consideration through the proposed Learning and Skills Measure²⁶ which will give the local education authority (LEA) and Welsh Ministers authority to set the minimum number of options for learners aged 14 and 16. As currently configured, the model on page 74 of the FE Review includes an employers' advisory panel, provider advisory panel and regional strategic implementation group. These may need to be reviewed if and when the consortia are established. fforwm notes the view (para 7.16) that successful consortia in England work with around 5,000 learners in school sixth forms plus learners in FE. We feel that this number is about right for ensuring an overall balance of provision although the number would need to be reviewed for rural and sparse areas.
111. **Colleges have some concerns about the possible bureaucratic implications of the proposed consortia. If the decision is taken by WAG to accept the model of commissioning consortia, then fforwm would prefer that a date is set for their establishment.** The setting up of pilots would inevitably slow down the reforms and, as has been shown in respect of Terminal 5 at Heathrow, dry runs do not guarantee success.
112. **If the Webb approach to establish these 14-19 commissioning consortia does not find favour with WAG, then fforwm would want to give its support to an even more radical approach - the national rollout of tertiary reorganisation in Wales.** Tertiary reorganisation would end once and for all the competition between institutions for learners that has so bedevilled student learning. It would ensure that advice and support to learners under the age of 16 was impartial and in the interests of learners.
113. The Responsive College Unit (RCU) in its study of ten tertiary colleges in England acknowledges there is no fixed definition of what constitutes a tertiary college but states that:

the essence of a tertiary structure is that schools within a given area do not operate sixth forms but instead young people progress to a single local institution that provides both their 16-19 education and provision and adult learning for the wider community²⁷.

²⁶ Proposals for a Learning and Skills Measure 2008, Welsh Assembly Government, January 2008

²⁷ *Research into the Comparative Performance of Tertiary Colleges*, RCU, January 2003

114. A managed tertiary system may therefore be broadly defined as a system where one institution offers the full range of post-16 provision in a defined area. This institution may be a college or institution bringing together other providers in a defined area. It may be a federation of institutions. The key intention is that there is no unnecessary and damaging competition and that resources are used efficiently to provide value for money. Everyone gains – the learner, the taxpayer, staff employed by the learning provider, parents and employers.
115. In some cases, colleges would merge with school sixth forms to become part of a larger institution covering all post-16 education and lifelong learning in that area. In other cases, school sixth forms faced with declining numbers might close. Pupils attending 11-16 schools would transfer to the local tertiary college at the age of 16. As five colleges in Wales are already tertiary and at least two are part tertiary, this model is already in place in parts of Wales.
116. This approach effectively ends wasteful competition between schools and colleges for 16-19 year old learners by promoting structural change. It acknowledges that the current system will never work to the benefit of the learner. There could be regular exchange of staff between the 11-16 schools and the tertiary institution to enable expertise from schools and tertiary institution to be shared. Buildings and equipment could be made available to learners in both sets of institutions. Schools and the tertiary institution would work closely with each other. Learners would have a wider choice of academic and vocational courses suitable to their needs. Guidance on courses and careers particularly for 14-16 learners would be impartial and not influenced by the interests of the institution.
117. The RCU survey provides evidence that tertiary colleges produce better results in recruitment, retention and attainment than general FE colleges.
- retention figures for 16-18 year olds were very close to the sixth form college average, despite having a wide range of students and a more diverse curriculum
 - 16-18 year old students had higher achievement rates than general FE colleges at all levels other than entry level
 - more learners were encouraged to remain in learning for subsequent years
 - tertiary colleges offered slightly fewer qualification aims than general FE colleges. Tertiary colleges and general FE colleges offered on average twice the number of qualifications offered by sixth form colleges²⁸.

²⁸ *Research into the Comparative Performance of Tertiary Colleges*, RCU, op.cit.

118. Head teachers of 11-16 schools often remark that these schools can provide a high quality learning environment for their learners. Resources and teachers are not diverted to subsidise more expensive sixth form classes. The RCU study provides some evidence that the staying on rates at 16 are improved in a tertiary system although the report acknowledges that there are various other influences that might have an impact. However, the evidence from the study shows that there is no negative impact on pupil performance by schools not having a sixth form²⁹.
119. With regards in particular to academic results, fforwm has undertaken research on A level results in Wales, and the findings are compatible with those of the RCU survey. The fforwm research demonstrates that tertiary institutions offer a wider choice of subjects than general FE colleges and that the achievement of 16-19 A level learners is also marginally higher. It also demonstrates that tertiary (or for that matter, general FE) learners are not disadvantaged compared to their counterparts in school.³⁰
- 120. A less radical approach would be some form of post-16 unified learning system which recognises that there could be different solutions to different areas. fforwm recognises that one size does not fit all.** Thus one area might go for a tertiary solution while other areas might prefer a confederation model or mergers between college, training provider or school and in some cases HEI. **What is not acceptable is to fall back on the status quo when evidence points to the need for reform.**

Reconfiguration

121. In respect of reconfiguration, it is not clear who should make the first move. The likelihood is that partnership between colleges is more likely to be productive and quicker than that between colleges and school and training providers. **However, fforwm would be disappointed if the major outcome of Webb was the acceleration of college-only mergers.** This would be a great disservice to learners across Wales as it would not eradicate duplication nor solve the competition between schools and training providers and would only postpone further necessary radical change.

Work-based Learning

122. **fforwm supports the proposed phased rationalisation of WBL contracts to 25 as long as this is carried out openly and transparently, with standards and critical mass being key determinants.** The awarding of contracts must be based on the quality of the provider and take account of the long term financial viability of the provider. The recent demise of Carter and Carter, a training company primarily based in England, is a salutary lesson. Many of the company's trainees faced an uncertain future until it was purchased by Newcastle College in the North East of England.

²⁹ *ibid.*, p19.

³⁰ The fforwm research on A level results is available from www.fforwm.ac.uk/2759.dld

123. It is assumed that the reduction in the number of contracts will run in parallel with the reduction in the number of colleges and of schools. **fforwm would strongly support the development of the lead provider model with colleges as publicly accountable bodies taking responsibility for quality and audit and contracting some delivery to other colleges and/or training providers.**

Welsh Medium, Bilingual and Welsh Language Learning

124. fforwm notes the comment that there are three key elements in respect of the Welsh language: entitlement, social and economic factors, career development and achievement.

125. More evidence needs to be provided on the success of the Welsh for Adult Centres (R18) – some are working well, others less so - but fforwm would strongly support the establishment of a bilingual expert group to drive forward policies (R17).

Funding

126. The Report provides powerful independent evidence about the disparity of funding between Wales and the rest of the UK (see para 47, above).

127. The prediction is that FE funding settlements in the next few years will be tight. This would increase still further the funding gap between colleges in Wales with their counterparts in the rest of the UK.

128. fforwm would support a fundamental review of the whole post-14 budget.

Governance

129. fforwm notes the recommendations about college governance. **fforwm would support governing bodies being given more freedom to appoint governors with appropriate skills, knowledge and expertise. There would also be general support for the remuneration of chairs of governing bodies, subject to clarity about the proposed level of remuneration, the source of funding and whether chairs would still be appointed by governing bodies or through a public appointments process.** The responsibilities of chairs have increased considerably. The budgets of the larger colleges more than match those of other parts of the public sector where remuneration is paid to chairs.

130. The idea of the production of an annual report is not contentious. However, holding an annual public meeting has been tried by several governing bodies, and, though laudable in their aims, they have attracted very few members of the public.

Resource implications

131. The Webb Report has considerable resource implications. Over 30 recommendations have financial implications. Although reference is made throughout to the costs of implementing the new arrangements, no overall figure has been calculated. **WAG needs to produce costed proposals for taking forward the Webb Report's proposals.**

ANNEX

Summary and conclusions

General comments

132. fforwm accepts the views put forward by Ministers in the Ministerial Foreword that skills are increasingly vital to the success of people, businesses and communities in Wales.
133. fforwm shares the view set out in the Webb Review that FE colleges have a central role in the delivery of the skills that employers and the Welsh economy need and that this can best be delivered in partnership between colleges, employers and other providers, with a clear steer provided by the Welsh Assembly Government (WAG).
134. We strongly support the positive comments in the Webb Report and more recently by the Deputy Minister for Skills that foundation degrees should be expanded in Wales. fforwm urges WAG to develop a clear approach to the development of foundation degrees in Wales and believes that the powers of FE colleges in England to offer foundation degrees should be extended to FE colleges in Wales.
135. fforwm urges WAG, after carrying out its extensive consultations on the draft Strategy, and indeed on the FE Review, to make bold decisions on the way ahead.

CONSULTATION QUESTIONS

Question 1: Broad policy direction

136. fforwm accepts the need to drive up skill levels in Wales and the vision of a strong and enterprising economy with full employment based on high quality, highly skilled jobs. We support the creation of a successful post-compulsory education and training system as set out in para 1.4.
137. fforwm welcomes the setting up of the Wales Employment and Skills Board, which has a key role in strengthening the voice of employers in shaping skills and in helping bring together providers of learning with the wide range of employment sectors in Wales.
138. fforwm accepts that responsibility for raising skills levels is shared between government, employers and providers. The Webb Review refers to the establishment of the Employer Entitlement Fund and the Workforce Development Account. The draft Strategy refers to the Sector Priorities Fund. There needs to be rationalisation of the funds to avoid duplication and much wasted effort.
139. As public bodies regulated by WAG, colleges are well placed to take forward the ambitious strategy set out for raising skills and employment levels.

140. In the context of changes in the global economy, colleges fully support the drive to increase the employment rate in Wales from 71.2% to 80% of the working population.
141. The draft Strategy might have focused more on the overall population trends in Wales. In its evidence to Webb, fforwm argued that legislation which gives priority to 16-19 year olds needs to be amended to take account of the changing population profile.

Question 2: Priority actions

142. A key focus on improving the level of basic skills covering literacy and numeracy is essential.
143. There also needs to be a standard approach for measuring the level of basic skills across Wales. At present there are various screening methods in place, which inevitably leads to inconsistency in results.
144. The Webb Report puts forward an interesting proposal that headteachers and college principals should be accountable officers with direct responsibility for basic skills attainment levels. fforwm is not ruling this out but believes there needs to be full discussion of the implications of such an approach.
145. fforwm recognises the key importance of Sector Skills Councils (SSCs) in bringing together employers and colleges.
146. fforwm welcomes the statement that SSCs should focus on increasing employer engagement, demand and investment in skills; undertaking labour market needs analyses; and informing development of new vocational qualifications. However to achieve these, they need to be fully supported by other key agencies such as awarding bodies and colleges. Their funding from WAG must be sustainable to enable them to have the capacity to deliver these services.
147. fforwm also believes there are too many vocational qualifications. This is confusing to employers, learners and parents. fforwm supports the rationalisation of vocational qualifications and, as noted above, welcomes the statement that all future vocational qualifications will have credit as an integral element.

Question 3: Does the strategy strike the right balance between the needs and responsibilities of individuals, businesses, and communities?

148. fforwm strongly believes that employers and colleges and other providers should work more closely together in drawing up training programmes that meet the needs of employers, are cost effective and of high quality. If this is the approach to demand-led training that the WAG adopts, colleges will welcome the challenge.

149. The formal arrangements for the planning of education and training provision on a regional basis is currently confused and requires clarification as a matter of some urgency. .

SPECIFIC QUESTIONS

Question 4: What are your views on our proposed financial contributions policy?

150. fforwm recognises that investing in skills must be a shared responsibility. fforwm supports a fees policy asserting that those who can afford to pay fees should do so

Legislative Change

151. One consideration might be to strengthen the legislative framework so that providers have a statutory responsibility to provide a 'proper' level of adult education. A policy such as this could again be targeted at adults lacking Level 2 qualifications.

Fees Policy

152. fforwm has no difficulty in supporting a fees policy asserting that those who can afford to pay fees should do so. There needs to be an appropriate balance between the individual, the state and employers.

153. In order to support a fees policy, it is suggested that the WAG would need to take steps to implement the following:

- an all-Wales policy on fees that includes all providers in the FE sector and local authorities. Without this, learners will gravitate towards the cheapest provider irrespective of quality
- as suggested above, the need for adult learners to sign up to an individual learning plan would act as a 'gate' so that free provision could only be accessed this way. All other provision would attract fees
- while recognising the difficulties inherent in separate funding systems, we suggest that there would be considerable benefits in an agreement that provision by HE institutions at sub degree level should be included in an all-Wales policy.

154. There needs to be increased investment in FE and the post-compulsory education and training system in general to ensure that the objectives set out in this draft Strategy are achieved.

Question 4 (a) Do you agree with the case for change?

155. WAG should identify much more strongly the return on investment in skills for the individual, the employer and the taxpayer.

Question 4 (b) Do you agree that public funding should focus on ensuring that everyone is equipped with the basic platform of skills necessary for employment and participation in community life?

156. fforwm agrees that the focus should be on ensuring that everyone is equipped with the skills necessary both for employment and participation in community life. The two are linked.

157. The funding regime is the most effective way of stimulating and supporting collaboration between providers and employers. Funding also has to achieve a balance of responsibility between employers, individuals and the state. We believe that employers must pledge to make a fair contribution to training.

158. fforwm has some reservations about funding for training being top-sliced from college budgets and directed towards employers. Furthermore, it is not clear what colleges should stop doing as a result of the top-slicing of funds to be directed towards employers.

159. *One Wales*³¹ promises to consider moving to providing schools and colleges with funding for a minimum of three years. This would align funding to colleges' 3-year strategic plans far more effectively. The draft Strategy does not provide any reassurance that this will be delivered or that funding to large providers such as colleges will become more predictable or stable.

Question 5: Do the proposals go far enough in giving employers, as customers of the skills system, influence on the content and delivery of skills programmes?

160. Employers need to be well briefed about the qualifications system if they are to lead the demand for training and if they are to be in a position to articulate their training needs clearly. There are too many qualifications on offer, which poses problems for employers. fforwm has been invited to participate in the UK Vocational Reform Programme (UKVRP) and supports the approach being adopted to create a new generation of awards better matched to the needs of employers.

³¹ *One Wales: A progressive agenda for the government of Wales*. An agreement between Labour and Plaid Cymru Groups in the National Assembly. June 2007, p.22

161. In respect of business support, experience of human resource development (HRD) advisors in colleges has not always been positive. Colleges report very few referrals from these individuals. A full evaluation is needed of the benefits of HRD advisors and an agreement as to their role and function before the numbers are expanded or funds allocated to them.
162. Colleges are sceptical about the added value of expanding the HRD adviser network to 175 by 2008.

Question 6: Specific proposals

Question 6 (a) Recognising and rewarding excellent provision

163. FE colleges support the recommendations of the Webb Review that Estyn Grade 2 should be the accepted standard for all provision by 2010 as a pre-requisite for funding, provided that the Estyn grading reflects a standard rather than a normative figure.
164. fforwm also acknowledges the importance of an institution achieving at least a Grade 2 in Leadership and Management by 2009 and accepts the need for urgent action whenever this level is not reached, provided that the context and overall circumstances are taken into account.
165. fforwm strongly supports the comment that there needs to be a lighter touch inspection regime for institutions performing to a high standard and acknowledges the importance of excellent providers disseminating best practice.
166. FE colleges have already embraced the raising standards agenda. fforwm is leading an initiative to develop self-regulation with its member institutions.

Question 6 (b): Focus on priority areas and businesses in our workforce development programmes

167. fforwm gives general support to the proposed priority areas set out in para 3.7 i.e. a focus on priority sectors and businesses, supporting businesses committed to growth and best practice, encouraging leadership and management potential, and greater rewards for transferable qualifications.
168. However, the draft Strategy does not place sufficient emphasis on the needs of small and micro sized businesses which employ a considerable proportion of people in Wales and perhaps, like Leitch, places too much faith on the long-term ability of all SSCs to reflect the voice of business.
169. fforwm would support the suggestion that the new vocational qualifications and units should reflect the SQS for each sector and that all future vocational qualifications will have credit as an integral element

Question 6 (c): Directing more of existing resource into Workforce Development Programme and Sector Priorities Fund

170. Colleges might express reservations about the proposed new Sector Priorities Fund to deliver strategic learning priorities identified by employers. It is not clear how this relates to the Employer Entitlement Fund and the Workforce Development Account recommended by Webb. Nor is it clear how this would be funded.
171. These funds need to be rationalised. Rules for drawing on the funds need to be devised which would enable FE colleges and other providers to respond quickly to the requirements of employers.
172. Other points such as increasing the number of modern apprentices, encouraging FE and HE to work with employers are laudable.

Question 6 (d): Encouraging stronger links between employers, FEI and HEIs

173. We welcome the statement that the core requirement for any bid for funding for skills development must involve an FEI alongside sector bodies and businesses. We support the recommendation in the Webb Review that FEIs should become: “a major driver of local and regional economic development through their role in delivering skills”.
174. fforwm strongly supports the Webb Report’s support for the development of foundation degrees (FDs). fforwm believes that WAG should develop a coherent strategy in respect of the development and expansion of FDs in Wales. This should acknowledge the importance of increasing the level of higher technical skills and seek to bring together employers and providers, including FE colleges and HEIs.
175. Under the FET Act 2007, FE colleges in England have the power to offer and validate their own foundation degrees, subject to approval by the Privy Council. Now that the FET Act 2007 has become law, it is inequitable and indefensible for that same power not to be extended to FE colleges in Wales.

Question 6 (e): Establishing an integrated skills and employment service based on the overarching ‘Careers Ladder’ model

176. The Careers Ladder approach set out in para 4.11 (six phases are set out covering the careers journey) are a sensible way forward.

Question 6(f): Reviewing the ‘Careers Ladder’ model

177. fforwm agrees that the careers service should be independent and impartial and the careers advice should be well informed and accessible.

178. Colleges support the proposals in the Webb Report for a restructuring of Careers Wales to create a unitary organisation (R90), and that a review of its targets should be undertaken to ensure they are 'outcome' rather than 'activity' driven.
179. fforwm would support the WAG if it were to seek to pass a similar measure to that contained in Clause 66 of the Education and Skills Bill for Wales.
180. fforwm supports the proposals to provide seamless services on the lines of the 'Careers Ladder' Wales approach.

Question 6 (g): Refocusing Skillbuild and Individual Learning Accounts

181. We accept the Webb proposal that DCELLS should declassify Skillbuild as work-based learning and that it should be funded as part of the overall provision for the most disadvantaged learners and as part of adult learning programmes.

Question 6 (h): Funding and support for basic skills

182. fforwm supports the proposal to consider the benefits of statutory entitlement to free basic skills learning for all post-16 learners and to invest in continuing professional development for tutors teaching basic skills.
183. Additional resource needs to be identified and ring-fenced to support tutors in gaining the Level 3 and, increasingly, Level 4 teaching qualification which is necessary in order to drive up basic skills levels.

Question 6 (i) Identifying and targeting groups most at risk

184. fforwm accepts the list of the groups requiring most support.

Question 6 (j): Supporting community-based learning through reform of adult community learning

185. fforwm supports the move to concentrate collective effort on assisting those most in need to help them gain the self-confidence and competences necessary to realise their potential.
186. fforwm would support the Webb Report's recommendation that DCELLS should refocus ACL funding on those who have not achieved Level 2 and to the most educationally disadvantaged. A more strategic fees policy needs to be developed to include the pooling of budgets across FEIs and local authorities.

Question 7: What are the most important measures of success

187. The targets set out in para 1.18 are lower than those set out by Leitch.³² It would be more sensible to develop higher targets with a longer timescale for Wales, too.
188. It will be important to ensure that key performance indicators (KPIs) are common across education and training institutions and that similar data systems are used to measure results.

Comments on the FE Review Chaired by Sir Adrian Webb

189. While not accepting all of the 136 recommendations in the Webb Review, fforwm believes that in its entirety it gives a clear and strong steer as to the future of post-14 education and lifelong learning in Wales.

14-19 Commissioning Consortia

190. There are three broad possibilities for improving current 14-19 arrangements:

- carry on with current arrangements in developing closer partnerships
- set up 14-19 commissioning consortia as proposed by Webb
- carry out a reorganisation of post-16 education by creating a tertiary structure.

191. As noted above, fforwm believes that the current voluntary arrangements are not effective and there is little evidence that more of the same would in fact work.

192. Colleges have some concerns about the possible bureaucratic implications of the proposed consortia. If the decision is taken by WAG to accept the model of commissioning consortia, then fforwm would prefer that a date is set for their establishment.

193. If the Webb approach to establish these 14-19 commissioning consortia does not find favour with WAG, then fforwm would want to give its support to an even more radical approach - the national rollout of tertiary reorganisation in Wales.

194. A less radical approach would be some form of post-16 unified learning system which recognises that there could be different solutions to different areas. fforwm recognises that one size does not fit all. What is not acceptable is to fall back on the status quo when evidence points to the need for reform.

³² *Prosperity for All in the Global Economy – World-Class Skills*. Final Report. Leitch Review of Skills. HM Treasury. December 2006.

Reconfiguration

195. fforwm would be disappointed if the major outcome of Webb was the acceleration of college-only mergers.

Work-based Learning

196. fforwm supports the proposed phased rationalisation of WBL contracts to 25 as long as this is carried out openly and transparently, with standards and critical mass being key determinants. fforwm would strongly support the development of the lead provider model with colleges as publicly accountable bodies taking responsibility for quality and audit and contracting some delivery to other colleges and/or training providers.

Welsh Medium, Bilingual and Welsh Language Learning

197. More evidence needs to be provided on the success of the Welsh for Adult Centres (R18) – some are working well, others less so - but fforwm would strongly support the establishment of a bilingual expert group to drive forward policies (R17).

Funding

198. fforwm would support a fundamental review of the whole post-14 budget.

Governance

199. fforwm would support governing bodies being given more freedom to appoint governors with appropriate skills, knowledge and expertise. There would also be general support for the remuneration of chairs of governing bodies, subject to clarity about the proposed level of remuneration, the source of funding and whether chairs would still be appointed by governing bodies or through a public appointments process.

200. The idea of the production of an annual report is not contentious. However, holding an annual public meeting has been tried by several governing bodies, and, though laudable in their aims, they have attracted very few members of the public.

Resource implications

201. WAG needs to produce costed proposals for taking forward the Webb Report's proposals.