
Cynulliad Cenedlaethol Cymru
Y Pwyllgor Cyfrifon Cyhoeddus

National Assembly for Wales
Public Accounts Committee

Lynne Neagle AM – Chair of Children, Young People
and Education Committee

Russell George AM – Chair of Economy, Infrastructure
and Skills Committee

11 October 2017

Dear Chairs,

You may aware that the Public Accounts Committee has recently undertaken some work on the Welsh Government's oversight of further education colleges' finance and delivery. On the 3 July 2017 the Committee took oral evidence from Welsh Government Officials and further education sector representatives on issues arising from the Auditor General's report on this matter, which was published on 28 February 2017. We also received further written correspondence from the FE sector with regard to these issues in September 2017, which are attached at Annex A.

I thought it would be helpful to highlight the issues arising from our work as these may be relevant to the work of your Committees either now or in any future consideration of this subject area. These issues are detailed below:

- We found that while generally sound, the Welsh Government's funding and oversight arrangements would benefit from a longer-term and more integrated approach. This would assist colleges in setting longer term funding objectives and provide greater certainty about income levels and assist with business planning. We welcome the Welsh Government's aim of restoring three year budgeting recognising there is a need for greater clarity about the revenue resources available to the Welsh Government, to be able to achieve this.



Cynulliad Cenedlaethol Cymru
Bae Caerdydd, Caerdydd, CF99 1NA
SeneddArchwilio@cynulliad.cymru
www.cynulliad.cymru/SeneddArchwilio
0300 200 6565

National Assembly for Wales
Cardiff Bay, Cardiff, CF99 1NA
SeneddPAC@assembly.wales
www.assembly.wales/SeneddPAC
0300 200 6565

- There was discussion around the current condition of the FE estate, including safety and accessibility, and concerns on how this varies across Wales, and the prospects for future improvement. We have some concerns around the sufficiency of existing resources to maintain the estate in preventing further deterioration in its condition. We were assured by the Welsh Government's confidence that the FE estate will be in better repair and the percentage of institutions that have estate that is deemed to be of low quality will have reduced by the end of the 21st Century Schools and Education band B process. However, we think progress needs to be monitored to ensure this happens.
- We welcome the FE sector's approach in taking forward the implementation of the Well-being of Future Generations (Wales) Act 2015 and note the dialogue between the Welsh Government and FE institutions and universities with regard to how the sustainable agenda is taken forward. We also welcome the Welsh Government's approach into looking at the institutional review process and the remit letters to reinforce the importance of the five principles and the seven outcomes that are captured in the Act.
- We were pleased to hear about the ways in which FE colleges are working with HE institutions to deliver value for money particularly where colleges are part of groups that are led by HE institutions. We note the excellent collaboration that exists through groups like the University of Wales Trinity St David, which includes Coleg Sir Gâr and Coleg Ceredigion, and also the University of South Wales with Merthyr. Going beyond these formal group structures we welcome that 11 of the 13 colleges in Wales have significant formal relationships with universities.
- The Committee also welcomes the sectors relationship with schools particularly the creation of the Seren networks, which bring together FEs and universities and schools, to raise the aspirations of people to achieve as best they can, not just academically but also vocationally.
- We considered the wider financial position of the FE sector including its efforts to reduce and control costs. We welcome the Welsh Governments approach in undertaking an annual health check of FE college finances. We were very pleased to note that nine colleges are reported as being in band



A, in good financial health, and three are in band B, and that there is action planning on going for the band B institutions to improve their financial health.

- Finally we welcome the FE sectors approach in responding to funding reductions and the agility of the sector to respond positively. We note the working being undertaken between the sector and the Welsh Government to look at a strategy to provide equity between further education, work-based learning, higher education and school sixth forms to ensure clarity and the achievement of value for money for the taxpayer.

I trust these observations will be helpful to you in any considerations by your respective Committees of further education finances.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is written in a cursive style with a long, sweeping underline.

Nick Ramsay AM
Chair



Colegau Cymru / Colleges Wales

Colegau Cymru / Colleges Wales is a charity that **raises the profile** of further education, vocational, work-based learning, and adult continuing education among decision-makers. Our aim **is to promote world-class education, training and skills outcomes for all learners in Wales.**

FE profile

Wales' Further Education Institutions are independent, not-for-profit bodies serving their communities. Presently more than half of their funding is received from the Welsh Government. However, pressure on available funding from Welsh Government has seen all colleges increasing their commercial activity, focussing on employer engagement and activity beyond their core provision. This area of work is set to continue to grow and thrive. Colleges do undertake a range of activities all focused on enhancing the learning outcomes for individuals, developing the skills needed within local communities - and importantly on remaining sustainable organisations with robust and resilient business and operational plans.

Disruption and innovation in delivery will continue to be the way in which FEIs respond to social and economic challenges as well as the future and current needs of their learners.

Further Education institutions vary considerably in size, number and type of students and the range of programmes and services offered, with learner numbers ranging from 1000 to 20,000. The majority offer both academic and vocational programmes. Some have developed specialisms in particular vocational sectors, such as land-based, marine engineering, and food technology.

When identifying college marketing spend, due regard and consideration of the nature of our FE colleges and institutions complex and diverse nature of the post-16 sector must be given. Colleges have very different "markets" e.g. some are tertiary colleges where all or most of the 16-18 year olds progress automatically to the FE college i.e. no marketing needed, others have extensive Higher Education provision, whilst others operate internationally, and all colleges work with employers of varying sizes in the region.

Due to the variation of activity we have based our figures and findings on the Percentage of Recurrent FE WG funding spent on 'non pay' marketing costs for 2015/16. The data identifies colleges annual spend ranging from 0.47% to 1%.

The sector involves activity in the following areas:

- Academic/A level courses
 - Vocational programmes ranging from Level 1 to Level 4/5
 - The Welsh Baccalaureate
 - Numeracy and Literacy support including GCSE resits
 - Independent Living Skills Programmes
 - Traineeship/Engagement Programmes
 - Employer-based Work-based Learning programmes - apprenticeships
 - A wide range of short courses for industry and business
 - Adult Basic Skills
 - Higher Education.
-

Delivering Ministerial Priorities

The FE sector is a key player in the delivery of the Ministerial priorities for the sector. These include tackling poverty, improved literacy and numeracy, learner progression and support, employer engagement and enterprise and developing Welsh medium provision.

The sector is encouraged to work closely with schools, local authorities, employers and other stakeholders to meet the needs of learners and employers enabling them to progress in the future.

Key Statistics

- StatsWales records show 224,410 learners in Further Education, Community Learning and Work-based Learning for 2015-16.
- Of these, 59,905 were involved in work-based learning, which is roughly a quarter (26.7 per cent). This does not take into account the additional 27,899 school pupils aged 16 or over for the same time period.
- This means that more than three quarters of people aged 16 or over are studying at FE, at school, or as part of Community Learning and are not part of work-based learning.¹

¹ Source - Stats Wales, see: Learning programme numbers by provision type, mode and gender, available at: <https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Lifelong-Learning-Wales-Record/learningprogrammes-by-provisiontype-mode-gender> ; Pupils by local authority, region and age group, available at: <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-agegroup> .

- The majority of part time learners are over 19
- 52% of all learners were female in 2015/16
- Wales' colleges have a good profile in inspection outcomes by Her Majesty's Inspectorate, Estyn. During Estyn's last FE inspection cycle (2014-17), most provision was judged to be excellent with one double excellence and a good.

