

## Children and Young People Committee

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Meeting Venue:  
**Committee Room 1 – Senedd**

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Meeting date:  
**11 July 2013**

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Meeting time:  
**09:30**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



For further information please contact:

**Policy: Claire Morris**  
Committee Clerk  
029 2089 8148 / 029 2089 8242  
[CYPCommittee@wales.gov.uk](mailto:CYPCommittee@wales.gov.uk)

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### Agenda – Private

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**At the meeting on 19 June, the Committee resolved to hold today's meeting in private, in accordance with Standing Order 17.42.**

#### **1 Introductions, apologies and substitutions**

#### **2 Further and Higher Education (Governance and Information) (Wales) Bill: Consideration of draft report (09.30–10.30)**

Supporting documents:

**CYP(4)–21–13(p.1) – Draft Report**

#### **3 Inquiry into Attendance and Behaviour – Consideration of draft report (10.30–11.30)**

#### **4 Papers to note (Pages 1 – 9)**

Supporting documents:

**CYP(4)–21–13(p.2) – Letter from the Chair of Petitions Committee**

**CYP(4)–21–13(p.3) – Additional evidence from Student Loans Company (Parent body of Student Finance Wales)**

**CYP(4)–21–13(p.4) – Additional evidence from Higher Education Wales**

# Agenda Item 4

Y Pwyllgor Deisebau  
Petitions Committee

Cynulliad  
Cenedlaethol  
Cymru  
National  
Assembly for  
Wales



Ann Jones AM  
Chair of the Children and Young People  
Committee  
National Assembly for Wales  
Cardiff Bay

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff  
CF99 1NA

Our ref: P-04-458

12 June 2013

Dear 

The Petitions Committee is currently considering the following petition which was submitted by UCU Crosskeys Branch and collected 246 signatures.

*We call upon the National Assembly for Wales to urge the Welsh Government to ensure:*

*Further education, along with publicly funded assets, is retained within the public sector.*

*2. Colleges continue to be bound by the national agreements in FE, such as the national pay scales.*

*3. The introduction of an all-Wales contract for FE lecturers.*

*4. Welsh Ministers do not dissolve colleges and give colleges the ability to transfer the property, rights and liabilities to another body.*

I enclose supporting information on the petition.

The Committee considered this petition at our meeting on 4 June and discussed correspondence from the Minister for Education and Skills and the petitioner.

In light of your Committee's consideration of the Further and Higher Education (Governance and Information) (Wales) Bill we agreed to highlight this petition and share the correspondence with you for information. Copies are enclosed.

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff  
CF99 1NA

Ffôn / Tel: 029 2089 8393  
E-bost / Email: [William.powell@wales.gov.uk](mailto:William.powell@wales.gov.uk)

Croesewir gohebiaeth yn y Gymraeg a'r Saesneg/We welcome correspondence in both English and Welsh

Additionally, we agreed to await publication of the Committee's report on the Further and Higher Education (Governance and Information) (Wales) Bill.

If you would like any further information on this petition, please contact the Committee Clerk at [naomi.stocks@wales.gov.uk](mailto:naomi.stocks@wales.gov.uk) or on (029) 2089 8393.

Yours sincerely

A handwritten signature in cursive script that reads "William".

**William Powell AC / AM**  
Cadeirydd / Chair

Enc: Supporting information from the petitioner.  
Correspondence from the Minister for Education and Skills dated 8 May 2013.  
Correspondence from the Petitioner dated 20 May 2013.

## **P-04-458 Keep Further Education in the Public Sector**

### **Supporting Information**

1. The 2011 Welsh Labour National Assembly for Wales election manifesto declared “FE colleges as public assets which belong to their local communities and its community of staff and learners”. One commitment in the manifesto was to “ensure the parity of esteem for teachers and lecturers by maintaining the current link between their pay and conditions” as well as “introduce an all-Wales contract for FE lecturers”.
2. However, in July 2012, the Welsh Government tabled the long awaited White paper on its proposed bill for Further Education (FE) in Wales. The Welsh Government wants to introduce changes, through legislation, that will remove a number of restrictions and controls on colleges, giving greater autonomy to college Principals.
3. The Welsh Government currently places a duty on colleges to maintain the pay parity for FE lecturers with school teachers through the annual conditions of funding letter it send to FE colleges in Wales. Many college Principals opposed the introduction of an all-Wales pay-scale.
4. If the Welsh Government does not continue to exercise some level of control over the FE sector, colleges could disregard national agreements in FE which could include the national pay scales. Should colleges disregard the existing national pay scales and contracts, teaching pay scales could vary significantly across each college. The quality of teaching could therefore be affected since teachers would not want to work for those colleges offering lower pay scales.
5. The Welsh Government’s White paper notes that the power of Welsh Ministers’ to dissolve colleges will be replaced with the ability of a college to dissolve itself and transfer the property, rights and liabilities to another body. If colleges were allowed to transfer their properties, rights and liabilities (as outlined in the Welsh Government’s proposals), then colleges could dissolve themselves and transfer the assets to a private company limited by guarantee.

Leighton Andrews AC / AM  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref P-04-458  
Ein cyf/Our ref LA/01201/13

William Powell AM

[Naomi.stocks@wales.gov.uk](mailto:Naomi.stocks@wales.gov.uk)

8 May 2013

*Dear William,*

Thank you for your letter of 24 April regarding my response of 12 March in relation to the petition from the UCU Crosskeys branch highlighting their concerns with the proposals outlined in the Further and Higher Education (Wales) Bill 2013.

The Further and Higher Education (Governance and Information) (Wales) Bill 2013, which I introduced to the National Assembly for Wales on 30 April will give the governing bodies of further education corporations the power to dissolve the corporation. This power, however, will be regulated to protect publicly funded assets.

In the 2014/15 academic year I propose to consult on secondary legislation that will regulate the transfer of a corporation's rights and assets on dissolution by specifying the type of persons or bodies to whom a corporation can transfer their assets. Assets transferred will also have to be used for charitable purposes which are exclusively for educational purposes. To reiterate what I said in my introductory statement to Assembly Members on 30 April, I expect colleges to continue to take responsibility to ensure that they not only fulfil, but exceed the expectations and aspirations of their wide ranging customers. Our objective is to build a Wales that gives our young people the very chances in life that is at the heart of the Welsh Government's vision.

There is no policy intention in Wales to establish Academies and privately-run institutions.

*Yours sincerely,  
Leighton Adams*

**Leighton Andrews AC / AM**  
Y Gweinidog Addysg a Sgiliau  
Minister for Education and Skills

Bae Caerdydd • Cardiff Bay  
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Correspondence: [Leighton.Andrews@wales.gsi.gov.uk](mailto:Leighton.Andrews@wales.gsi.gov.uk)  
Printed on 100% recycled paper

## P-04-458 Keep Further Education in the Public Sector- Correspondence from the petitioner to the Chair, 20.05.13

UCU Crosskeys Branch would like to submit the following points for consideration by the Petitions Committee:

- 1) The Minister's letter states there are no plans for Academies and privately-run institutions in Wales. If governing bodies are given the power to dissolve the corporation and transfer a corporation's rights and assets to a person or bodies, to whom could these responsibilities and assets be transferred to if the Minister has already ruled out privately-run institutions in his letter dated 8<sup>th</sup> May?
- 2) The Minister has not explained why it might be necessary for a FEI to dissolve itself, and the power to transfer its property, rights and liabilities to another body. Providing examples, what situations might this be necessary?
- 3) In the Bill's Explanatory Memorandum a cost benefit analysis is provided. For *Option 3: Introduce an Assembly Bill* it outlines the risks on page 24, stating "*That the legislation does not give the ONS Classification Committee the assurances needed that key steps have taken place to increase the autonomy of FE colleges and the reversal of the public sector categorisation for national account purposes fails.*" It is possible the Minister could be pressing ahead with this Bill that would not resolve the ONS classification issue.
- 4) Can the Minister confirm if he has consulted the Welsh Labour National Policy Forum on this Bill, given it goes against the commitments outlined in the 2011 Welsh Labour National Assembly for Wales election manifesto?

We would be grateful if the Petitions Committee would consider asking the Minister to clarify these above questions.

Yours truly

UCU Crosskeys Branch

Ann Jones AM  
Chair of the Children and Young People Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Date: 21.06.13

Dear Ms Jones,

**National Assembly for Wales - Children and Young People Committee**

I write further to the questions raised at the above committee hearing meeting of the 23<sup>rd</sup> May and now respond formally as requested. SLC understand the needs of, and design much of their communications activity around, young people from all socio-economic groups who are seeking to enter HE from school/college. However we are also aware of the need to ensure that those who do not come via this route can also access the information, advice and guidance (IAG) they need to make informed choices about finance for further or higher education. The SLC and the Welsh Government will work together to ensure that all customer groups are engaged and signposted to further information about student finance services.

As part of the modernised student finance service in Wales all IAG resources and materials are being overhauled. A new campaign, 'Sound Advice' will be launched with a range of engaging and accessible online tools and resources, including a new website, a new social media strategy and presence on channels such as Facebook, Twitter and The Student Room. Activity of these channels enables SLC to target messages at specific groups, including mature students (some of whom will also be parent/guardians themselves), part time students and vulnerable students as well as the mainstream school leaver. All campaign materials reflect the diversity of the Welsh population, including age.

While the role of the Welsh Local Authorities in the delivery of student finance services, particularly information, advice and guidance will change as they will no longer obligated to provide the face to face support to students they previously offered, SLC will work with the Welsh LAs to identify teams/people whose activity would bring them into contact with any potential students - for example,

Student Loans Company Limited 100 Bothwell Street Glasgow G2 7JD

Tel: 0141 306 2000 Fax: 0141 306 2005 [www.slc.co.uk](http://www.slc.co.uk)

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housing departments, library services etc and, through the work of the Student Finance Information Team, would provide LA staff with a route to information and clear signposting to the SFW website for any potential students and their parents.

In addition SL C will ensure that our work with partners includes any other group who have an interest in and involvement with this audience - Careers Wales for example, or other relevant local organisations within Communities First Areas - in order that student finance training is offered to these partners and that they also have access to the same high quality, consistent and audience appropriate IAG. The approach is also taken with organisations working with vulnerable groups.

All of the above is, of course, subject to funding I am very aware of the financial pressures and very recent exercise to target spending in all areas including IAG.

I hope this response is helpful and adequately answers the question raised. If you or the Committee response members require any further information please do not hesitate to contact me.

Yours sincerely



**David Wallace**  
**Deputy CEO & Director of Strategic Development**  
**100 Bothwell Street**  
**Glasgow**  
**G2 7JD**  
**Email: [David\\_Wallace@slc.co.uk](mailto:David_Wallace@slc.co.uk)**

Cc: [Stephen.george@wales.gov.uk](mailto:Stephen.george@wales.gov.uk)

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c /o Olga Lewis, Deputy Clerk  
Children and Young People Committee  
Legislation Office  
National Assembly for Wales  
Cardiff Bay, CF99 1NA.

24 June 2013

Dear Olga

### **Consultation – Further and Higher Education (Governance and Information) (Wales) Bill**

Thank you for your invitation to provide evidence to the Children and Young People Committee on 13 June 2013. I am writing to clarify our views on what the potential impact of a reclassification by the Office for National Statistics (ONS) from Non-Profit Institutions Serving Households (NPISH) to central government would be for the higher education sector, which was an area which we felt needed better explanation than I was able to give in immediate response to questions in the Committee.

We should be clear from the outset that it is for others to comment on how a change in ONS classification would apply to further education. In common with our university partners across the UK, however, it is our view that loss of NPISH status for universities would have very serious and detrimental impact on the higher education sector, for the following reasons in particular:

- The Further and Higher Education Act 1992 is widely regarded as preserving the necessary public safeguards against autonomy of corporate policy and academic independence, which have been a cornerstone of the UK's international reputation for having the best system of higher education in the world. An actual or apparent erosion of these safeguards and/or resulting loss of NPISH status could give rise to perceptions of a fundamental divergence of higher education in the UK and have a very damaging impact on the international reputation of the sector in this respect.
- As the Welsh Government make clear, reclassification would have significant consequences for the DfES budget, as detailed in the Explanatory Memorandum which accompanies these proposals, which in turn would have serious implications for the higher education sector.<sup>1</sup> This would include the potentially negative impact on the Welsh Government capital budget in particular and requirement for additional accounting and annual return arrangements. Any surpluses or deficits would become Welsh Government funds and would need to be

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<sup>1</sup> Further and Higher Education (Governance and Information) Wales Bill, Explanatory Memorandum

managed within the overall Main Expenditure Group (MEG), and the ability of institutions to carry forward surpluses and build reserves for future capital projects would be lost. We also understand that, more generally, the reclassification of the sector as central government would impact in particular on the Public Sector Net Debt (PSND) and to a lesser extent the Public Sector Current Budget (PSCB) and Public Sector Net Investment.

- There would also be significant ramifications arising from the specific provisions which contributed to a change in status. HEW has considered the potential impact of a change in status for the higher education in its responses in relation to proposals for direct grant in the FE HE (Wales) Bill consultation in September 2012 and in relation to the Welsh Government's Public Service Workforce consultation in July 2012. In addition to the above points, the HEW responses identified a potential impact on contractual agreements with partners, collective agreements incorporated into the contracts of employment, or general statutory duties relating to higher education. Implications for tax and charitable status would also be issues which would need to be considered further in any potential reclassification.

As indicated in the meeting, the ONS decisions and stated reasons for them are live issues to be considered in future regulatory developments relating to the HE sector and we will give this further consideration as part of the HE (Wales) Bill technical consultation. The ONS classification reflects degree of public sector control over general corporate policy and any reclassification would mean a significant shift in this respect. The key areas which caused reclassification of the FE sector to central government were, according to the ONS: borrowing restrictions, governance arrangements, and the public sector ability to close or merge institutions. When, in England, these powers were limited to situations where the institution is being mismanaged or performing poorly, the ONS took the view that these remaining powers acted as reserve or step in powers. It noted, however, that if such powers were to be exercised this would result in the public sector taking control of the institution in question.<sup>2</sup>

We hope that our clarification is of help to your inquiry.

Yours sincerely

Ben Arnold  
Policy Adviser

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<sup>2</sup> Offices for National Statistics, Reclassification of Further Education Corporations and Sixth Form Colleges in England, May 2012.