

Senedd Cymru
Y Pwyllgor Materion Allanol a
Deddfwriaeth Ychwanegol
Ymadael â'r Undeb Ewropeaidd:
Paratoadau yng Nghymru ar gyfer
diwedd y cyfnod pontio
EAAL(5) EUP03
Ymateb gan Colegau Cymru

Welsh Parliament
External Affairs and Additional
Legislation Committee
Exiting the European Union:
Preparedness in Wales for the end of
the transition period
Evidence from Colleges Wales

Introduction

ColegauCymru welcomes the opportunity to respond to Senedd Cymru's External Affairs and Additional Legislation Committee consultation on Exiting the EU: preparedness in Wales for the end of transition.

ColegauCymru is a post-compulsory education charity; we promote the public benefit of post compulsory education and learning. We also convene the further education (FE) Principals' Forum, which represents Further Education colleges and FE institutions (FEIs) in Wales. ColegauCymru also undertakes research, policy development and provides practical support to FE colleges in Wales, including on work-based learning (WBL) which is a key part of FE college activity.

1. Background and general observations

- 1.1. ColegauCymru has responded to a number of consultations related to this topic over the course of the current Senedd. These include:
 - Economy, Infrastructure & Skills Committee inquiry: Selling Wales to the World (2017)
 - Children, Young People and Education Committee: Inquiry on the Impact of Brexit on Higher and Further Education (2018)
 - Welsh Government, Regional Investment in Wales after Brexit (2018)
 - Finance Committee, Inquiry into preparations for replacing EU funding for Wales (2018)
 - Welsh Government, A Framework for Regional Investment in Wales (2020)
 - Welsh Affairs Committee, Wales and the Shared Prosperity Fund (2020).

In addition, in November 2017, ColegauCymru published a report on the impact of European funding on colleges in Wales - Involvement of Welsh Further Education

colleges and institutions in EU funding: An overview of the financial uptake¹. Links to all the above documents can be found in Annex A at the end of this submission.

Many of the issues raised in that report and those responses remain relevant to the current consultation: the key point being that it is difficult to assess the extent to which Wales is prepared for the end of the transition period, without knowing what the end of the transition period will look like. Negotiations are ongoing between UK Government and the EU but without a complete picture of what a final agreement contains, assessments of preparedness are at best theoretical.

It is highly unlikely that an extension to the transition period could now be agreed, with a 'no trade deal' exit currently set as the default position. In this respect, the Further Education sector, like Wales more widely, is not well prepared for a 'no trade deal Brexit' as outlined in Professor Barnard's report.² This could, initially at least, stifle the UK and Wales in new, complicated legislative requirements to which it will take time to acclimatise.

For FE, this will have an impact on the economy and employers with whom the sector works. It is reasonable to assume that this will be a negative economic impact which will put colleges into a position where they are operating in uncertainty, at least for an initial period. This is also likely to reduce the propensity of businesses to employ new staff (namely, FE learners who have completed their courses, those seeking apprenticeships, those who have newly retrained or upskilled) or engage in training.

Alternatively, it might mean that there are new and urgent skills gaps that need addressing through both English and Welsh. We do not yet know specifics of what these are, which complicates effort to plan to address them. The sector is anticipating change as far as possible and seeking to factor this into planning and advice to learners on future employment pathways as far as possible. Nevertheless, it is difficult for FEIs to start to incorporate future scenarios into training and education for learners with any real certainty, potentially meaning that FE learners are not clear about or prepared for the world of work they are entering.

When considering awarding qualifications, it is also important to remember that any changes take time to be implemented. Awarding bodies can be slow to adapt and respond to changing skills and knowledge requirements. Currently, FEIs can only award qualifications accredited by awarding bodies so such delays could lead to a time lag of number of years before being properly equipped to address any new job requirements that result from the economic shift. This could be

¹<http://www.collegeswales.ac.uk/documents/Resources/453/engb/involvement%20of%20welsh%20fe%20colleges%20and%20institutions%20in%20eu%20fundingjanuary%202017.pdf>

² Catherine Barnard,
<https://business.senedd.wales/documents/s102205/Future%20scenarios%20post%20Brexit%20Professor%20Catherine%20Barnard%20-%202020%20April%202020.pdf>

addressed by creating new, innovative and quicker ways of developing, awarding and accrediting qualifications.

New industries may arise and labour demands in certain areas are likely to expand while others contract. An example could be for FE colleges that have ports in their areas - these may require a whole new workforce to deal with changes to trade conditions. Wales is a small country and, while improving, one that currently has a large, lower level skilled population. As of April 2020, 8.2% of working adults in Wales had no qualifications at all, while 12.7% had not reached a level 2 qualification³ - factors such as these could have impacts on the wider labour market. If the economy thrives post-Brexit, learners and employers will depend on FE to provide many of the skills they need, in both English and Welsh. In this scenario, we still have no clear idea or measure of what that could mean or in what volume.

Ultimately, the Further Education sector is doing the best it can to be prepared for the end for the transition period but, in the absence of any real clarity of what the posttransition landscape will actually look like to date, the sector might not necessarily have the funding or the delivery infrastructure to respond as efficiently as it would like and is necessary.

2. Replacement European Funding – Shared Prosperity Fund

2.1 Colleges in Wales have greatly benefitted from European funding. This has been used to support and upskill the population of Wales through European programmes. These activities have made an important contribution to business and the economy, often in the most deprived areas of Wales. Over the past 10 years, FEIs in Wales have been involved in the delivery of EU funded projects to a total value of almost £600m, both as project lead or project partner⁴.

2.2 For this reason, it is a matter of overwhelming concern that there is still no detail or clarity on what the replacement for EU funding – the UK Government’s Shared Prosperity Fund – will look like. Without knowing the amount of funding, along with the necessary priorities and processes, it is impossible for the FE sector to prepare for the end of the transition period. The high degree of concern about the potential loss of this funding across the FE sector must not be underestimated.

³ <https://statswales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Data-For-Regions-of-Wales/highestqualificationlevelofworkingageadults-by-region-localauthority>

⁴ <http://www.colegau.cymru/uploads/img/2020/Reports/Involvement%20of%20Welsh%20FE%20colleges%20and%20institutions%20in%20EU%20funding%20Nov%202017%20ENG.pdf>

2.3 Concerns are now increasing with regard to projects due to end in December 2022/January 2023: there is the potential for a 'cliff edge' scenario which must be avoided. It will take time to develop, plan, and approve new innovative projects to address the emerging skills challenges and priorities as a result of any Brexit outcome and the timescale is very compressed. Again, this could negatively impact post-16 learners in Wales.

2.4 ColegauCymru's preference is for funding for Wales from the Shared Prosperity Fund to be devolved to the Welsh Government, drawing on existing expertise and lessons built up from the WEFO period. WEFO, with its knowledge of previous programme implementation, is well placed to facilitate the collaborative work needed to ensure that the full benefits of future projects are delivered to the Welsh economy whilst delivering against targets. Change will be necessary to make the Shared Prosperity Fund work as effectively as possible but there seems little point building an entirely new administrative system and disregarding existing experience.

2.5 Administration and allocation of the Shared Prosperity Fund need to be coherent across the UK and within the devolved governments. This means that Welsh Government, Local Governments and the UK Government will need to work together, using existing skills, knowledge and expertise, so that no duplication or excessive bureaucracy is created. Skills, industrial, economic and other strategies need to work in harmony across the different levels of government, or at least avoid direct conflict. Situations which fragment different funding streams and their priorities should be avoided as far as practicable.

2.6 Consultation documents regarding the Shared Prosperity Fund were due to be published "in due course" as of January 2020. Our understanding is that further information about the fund will be part of or follow from the UK Government Comprehensive Spending Review, launched on 21 July 2020⁵. As yet, there does not appear to be a specific date for the end of the consultation or the Spending Review announcement (to be confirmed in 'due course') but ColegauCymru calls for this to be as early as possible in order for all sectors, including the FE sector, to be able to prepare for the new funding stream.

2.7 The Welsh Government must continue to press UK Government to publish its consultation on the Shared Prosperity Fund at the earliest opportunity to enable key stakeholders to comment on proposals for the replacement for European funds. This is a matter of urgency for skills and employability funding.

⁵ <https://www.gov.uk/government/news/chancellor-launches-comprehensive-spending-review>

3. Erasmus+

3.1 There is, as yet, no firm decision on whether the UK will continue to participate in the Erasmus+ scheme. Our understanding is that a potential UK replacement scheme is being explored but again, there is no clarity here to date. Further Education colleges have both benefitted from European funding and helped to support and upskill the population of Wales through European programmes, making important contributions to business and the economy, often in the most deprived areas of Wales⁶. Vocational mobilities have helped to change the horizons of learners, in particular those from disadvantaged backgrounds, and this opportunity must not be lost.

3.2 During the 2020 round of Erasmus+ applications, ColegauCymru was successful in securing funding of €2.2m for projects due to run until 2022. The next seven year cycle of Erasmus+ funding will run from 2021 until 2027. However, we do not know if the UK will participate in this cycle of funding and without an answer, it is not possible to prepare adequately. Welsh Government has maintained that the best scenario is that the UK remains a full member of Erasmus+ but the final decision lies with the UK Government.

3.3 ColegauCymru's preference is also for Wales, via the UK, to remain part of the full Erasmus+ scheme. However, if the UK is not a part of Erasmus+ post-Brexit, the UK Government will need to ensure there is no gap in funding for organisations while they develop a domestic alternative. Likewise, without greater detail on the UK Government's proposed Shared Prosperity Scheme, which is set to replace EU funding, it is difficult to plan such domestic alternative arrangements.

3.4 ColegauCymru is concerned that if the UK is no longer part of Erasmus+, relationships with reciprocal partners in the EU could be negatively impacted. Since leaving the EU in January 2020, the UK has already been excluded from some European Commission level networks such as the Advisory Group for the European Qualifications Framework (EQF) and the forum meetings of European Quality Assurance in Vocational Education and Training (EQAVET). ColegauCymru represented Wales in these network meetings and our understanding was that we would still be able to participate in these meetings during the transition period. These networking opportunities are crucial in ensuring that Wales' qualifications and quality assurance processes for VET are in line with those across Europe and provide a level playing field for workers and employers across the EU.

⁶<http://www.collegeswales.ac.uk/documents/Resources/453/engb/involvement%20of%20welsh%20fe%20colleges%20and%20institutions%20in%20eu%20fundingjanuary%202017.pdf>

4. Qualifications and portability

4.1 Ensuring that qualifications in Wales remain aligned to the European Qualifications Framework, which allows learners, learning providers and employers to compare qualifications between different national systems, is important for Wales' current and future citizens to play their part in the wider world. Portability of qualifications is key to employability both in terms of learners from Wales being able to work in other countries but also so that employers in Wales have confidence in qualifications of the workforce from across Europe and beyond. Without the guarantee of portable qualifications, there is the potential some FE provision could be undermined by lack of recognition in the wider European and global markets. Likewise, longer term, there is a potential impact on businesses in Wales being able to export goods and services to the EU if Wales' qualifications are not recognised as meeting the necessary standards.

4.2 ColegauCymru recently undertook a rereferencing exercise on behalf of the Welsh Government, ensuring that Wales' qualifications are accurately mapped to the European Qualifications Framework (EQF). This will ensure that employers, workers and learners from Wales will be able to compare Wales' qualifications with those across Europe and beyond. This up to date point of comparison of qualifications will support the continued mobility of workers and learners across Europe and is a positive level of preparedness for the years ahead. It will, however, be essential to ensure that this position is maintained in the future.

5. Priorities for investment

5.1 Future investment needs to focus on the development of human capital in its widest understanding (including creativity) in order to prepare for and address the changing circumstances Wales faces outside the European Union. Resilience and flexibility will be key. For this reason, investment in education and skills (in both English and Welsh) must be maintained or enhanced, including opportunities for those in work to retrain or upskill. Again, without knowing the terms of any trade deal with the European Union or details of the Shared Prosperity Fund, it is difficult if not impossible for the FE sector to undertake effectively the necessary planning for the end of the current transition period.

5.2 As a sector, FE is adaptable, flexible, and able to respond quickly to opportunities that may arise. One way to increase preparedness for the end of the transition period will be to continue or extend existing successful EU-funded skills and employability projects. FE colleges in Wales have a positive track record here and could undertake such activity with minimal disruption given sufficient continuity funding. For example, projects including Skills for Industry, Upskilling@Work and SEED which target workforce development could play a crucial role in supporting organisations during the Covid-19 management and

recovery period over the next 24-36 months⁷. Likewise, successful interventions for those young people most at risk of not being in employment, education or training, such as Inspire2Achieve⁸, could be extended and enhanced.

5.3 There has already been interest from other FE colleges in expanding successful employability projects, such as those run by Gower College Swansea. These could be organised on a regional basis or replicated across Wales in order to support the recovery of the economy in terms of recruitment, workforce planning, or assisting those who are underemployed or being made redundant.

5.4 Lastly, it is also important to bear in mind that certain projects have been running for several years and, should they not continue, it will be necessary to take into account the employment rights individuals have acquired over this period. This could include funding for any redundancy payments that may be necessary.

6. Conclusion

6.1 To reiterate, a key theme of this consultation response, it is almost impossible to accurately assess how prepared the Further Education sector, or Wales as a country, is for the end of the transition period without being clear about the new systems, funding and processes into which we will transition.

6.2 The Further Education sector is positive, flexible, adaptive and responsive but adequate planning and support requires more detail about the situation Wales and the UK will face as of 1 January 2021. This is on top of managing a constantly changing environment in relation to the ongoing management of and recovery from Covid-19. While the economic impact of the pandemic is yet to be fully realised, we must be aware of how individuals within society will be affected. Often, it is those who are already most disadvantaged who are most negatively impacted in times of economic difficulty. Taking both Brexit and the pandemic together, there is even greater uncertainty and challenge in the context of employment opportunities for disadvantaged young people.

6.3 FE will play a crucial role in Wales' economic recovery from Covid-19, and the replacement for European funding will be a significant part of that success. Any reduction to those Further Education funds which have usually been allocated from EU funding could have extreme adverse effects on the education of young people in Wales and the retraining and upskilling of adults. Following the

⁷ For further detail, see for example: <https://businesswales.gov.wales/skillsgateway/skills-and-trainingprogrammes/workplace-skills/skills-industry-2>

<https://businesswales.gov.wales/skillsgateway/skills-and-training-programmes/workplaceskills/upskillingwork>

⁸ <http://www.sewales-ret.co.uk/inspire-2-achieve-east-wales/>

outbreak of Covid-19 and the negative repercussions this will inevitably have on the Welsh economy, the need for skills training or reskilling (including bilingual skills) has never been more important. The full impact of Covid-19 on the economy is not yet clear but there can be no effective response that does not look at skills as part of the recovery. The Further Education sector is well placed to develop, support and deliver this.

6.4 In summary, the Welsh Government should:

Continue to press the UK Government to agree a trading relationship with the EU that works for Wales, and end the uncertainty as to what this will look like at the earliest possible opportunity.

Establish the exact closing date of submissions to the UK Government's current Comprehensive Spending Review and the timetable for the announcement.

Encourage the UK Government to continue to develop outline plans for the Shared Prosperity Fund, releasing detail or drafts as soon as possible in order for the Further Education sector to adequately prepare.

Agree with the UK Government the principle that funds to be spent in Wales should be managed in Wales via the Welsh Government, drawing on experience from WEFO, and joining up with UK and local initiatives effectively.

In principle, and following the necessary further discussion, agree to extend successful (previously EU-funded) skills and employability projects operating in FE in order to support people and employers and minimise disruption.

ColegauCymru would be very happy to provide oral evidence to the Committee if required.

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Annex A

ColegauCymru's response to the following consultations can be found in the links:

Economy, Infrastructure & Skills Committee inquiry: Selling Wales to the World

(2017) <https://business.senedd.wales/documents/s65664/16%20Colleges%20Wales.pdf>

Children, Young People and Education Committee: Inquiry on the Impact of Brexit on Higher and Further Education (2018)

<https://business.senedd.wales/documents/s76685/1B%2001%20CollegesWales.pdf>

Welsh Government, Regional Investment in Wales after Brexit (2018)

(ColegauCymru response in attachment)

Finance Committee, Inquiry into preparations for replacing EU funding for Wales (2018)

<https://business.senedd.wales/documents/s75747/EUF%2005%20Colleges%20Wales.pdf>

Welsh Government, A Framework for Regional Investment in Wales (2020)

(ColegauCymru response in attachment)

Welsh Affairs Committee, Wales and the Shared Prosperity Fund (2020).

<https://committees.parliament.uk/writtenevidence/2222/html/>

Welsh Government, Regional Investment in Wales after Brexit (2018)

Introduction

ColegauCymru welcomes the opportunity to respond to the Welsh Government's consultation on a Framework for Regional Investment in Wales. ColegauCymru is a postcompulsory education charity; we promote the public benefit of post compulsory education and learning. We also convene the further education (FE) Principals' Forum, which represents further education colleges and FE institutions (FEIs) in Wales. ColegauCymru also undertakes research, policy development and provides practical support to FE colleges in Wales.

This response is based on discussions between principals and senior FE staff, including a meeting with the lead Welsh Government officials, as well as written comments and feedback received. Individual FEIs are also likely to submit their own responses.

General observations

ColegauCymru is in agreement with the Welsh Government that Wales should not lose out as a result of the proposed UK Shared Prosperity Fund (UKSPF) which will replace European funds. Colleges in Wales are heavily reliant on EU funding, and any cuts could have extreme adverse effects to the education of young people in Wales and the retraining and upskilling of adults. Following the outbreak of Covid-19 and the negative repercussions this will inevitably have on the Welsh economy, the need for skills training or reskilling has never been more important. The full impact of Covid-19 on the economy is not yet clear but there can be no effective response that does not look at skills as part of the recovery. The Further Education sector is well placed to develop, support and deliver this.

Question 1

What are your views on a model where:

- Strategic, pan-Wales initiatives are co-ordinated at a national level; and
- Designated regional bodies design and deliver their own programmes of investment aligned with national-level policy ColegauCymru agrees that strategic, pan-Wales initiatives should be co-ordinated at a national level.

- 1.1 ColegauCymru seeks further detail and discussion of the makeup of the regional bodies proposed in the model. Giving regional bodies the responsibility of designing and delivering their own programmes of investment may not be the best approach. The entities/vehicles best suited to delivery may not be the best to design interventions and vice versa. Many regional bodies are primarily made up of Local Authorities (LAs) in the key decision-making roles and, whereas LAs are important players, there are some areas where they are not the most appropriate, independent and expert bodies to undertake this function. The political boundaries that influence LA decision making and influence are barriers to genuine effective pan-regional interventions, e.g. large infrastructure, environmental or economy focussed.
- 1.2 Future funding, particularly in relation to skills and employability, should not be overly controlled and directed by Local Authorities via CJsCs but include wider partners, such as the further education sector - on an equal footing. It is worth noting that while the Welsh Government's Local Government and Elections (Wales) Bill seeks to encourage greater diversity, only around 28 per cent of elected councillors are female, for instance, with representation of other key equality groups also being relatively poor.¹ Handing too much power to local authorities risks insufficient diversity in planning and decision making.
- 1.3 There is no one size fits all approach as regions and communities across Wales are different, and overall, more detail is needed on the proposed Corporate Joint Committees (CJsCs). Commissioning (not procurement) by an appropriately independent and expert panWales body should be considered for some types of employability and skills interventions, or where there are gaps in provision/need.
- 1.4 Insufficient attention has been paid to Regional Skills Partnerships (RSPs) and how they fit in with suggestions regarding the new framework. For example, one suggestion was whether revised and enhanced RSPs with improved governance and transparency, combined with increased powers and legal abilities to manage and distribute funds, could provide an alternative to the creation of new CJsCs. Other contributors noted that this might not be possible and highlighted the difficulties which have followed where RSPs have played a stronger role in influencing Welsh Government funding recommendations. This has not always been helpful in developing the strategic relationship and advisory role to which RSPs now aspire.
- 1.5 It is also important not to lose sight of national initiatives by leaving too much open to regional priorities in terms of consideration and maintenance of national employment and skills interventions such as apprenticeships.

¹ [ERS Cymru, *New Voices: How Welsh politics can begin to reflect Wales* \(2018\), p6. Available at: \[www.electoral-reform.org.uk/latest-news-and-research/publications/new-voices-how-welsh-politicscan-begin-to-reflect-wales/\]\(http://www.electoral-reform.org.uk/latest-news-and-research/publications/new-voices-how-welsh-politicscan-begin-to-reflect-wales/\)](http://www.electoral-reform.org.uk/latest-news-and-research/publications/new-voices-how-welsh-politicscan-begin-to-reflect-wales/)

1.6 There are concerns about unnecessary competition between local authorities and agencies. In the past, FEIs have worked collaboratively across regions on a number of projects and have delivered their desired outcomes, whereas collaboration on some projects such as the City Deals, have been less successful on occasion.

Question 2

Do you support our proposals for some investments to be led by the community in which the activity takes place?

2.1 ColegauCymru is supportive of these proposals, particularly where there is a distinct and unique need that cannot be met by larger scale interventions. However, there should still be some form of regional oversight to ensure coordination, particularly from a skills perspective. In South East Wales, the Regional Engagement Team has provided this. These types of forums may be helpful in the future to ensure a joined up approach and strategic oversight/value for money.

2.2 The LEADER programme (which was funded through the Rural Development Plan for Wales 2014 – 2020) has been a successful programme previously and has enabled community led development to trial new and innovative ways of working. Good communication between communities will be key in this scenario, as lessons learned in one area could be adopted in another, whilst successful interventions can be replicated.

Question 3

Do you agree that we should continue to increase our use of repayable finance where this is viable and, where it is not, that models of combined support that maximise the repayable element should be developed?

3.1 Repayable finance is not an appropriate model for skills interventions but may be appropriate in other contexts of the proposed Investment Framework. It is also important to question whether the current economic context in light of the Covid-19 pandemic has shifted the agenda around repayable finance options more widely. What may be possible under current circumstances may be drastically different to what was envisaged when the original consultation document was drawn up.

3.2 Repayable financing outside of skills funding may require different models in different areas, ranging from a fully repayable model in areas of high economic activity, to part repayable part grant funded in other areas (i.e. rural areas). This will encourage the spread of activity across the country and assist those areas of lower economic activity to be able to compete. This model would suit activities where

there is a genuine commercial opportunity, and not just attempts at making funding go further by requiring publicly funded organisations to engage with this sort of mechanism. This is especially the case where the investment has been made with organisations that then benefit (become profitable/more profitable) from the funding intervention.

Question 4

What are your views on our plan for the transition period?

4.1 While the proposal set out for the transition period seems sensible, plans are likely to have been disrupted by Covid-19. The failure of the UK Government to publish its consultation on the Shared Prosperity Fund, originally due by the end of 2018, is a matter of increasing concern as there is no clear proposal on how replacements for European funds will operate. It is vital that a seamless transition is in place following the end of existing projects, with as little disruption to learners as possible. Many existing projects through ESF and ERDF will undoubtedly continue into 2021/22 with some even going to 2023. The funding objectives, policy and application structure of the new funding however, need to be in place well before these dates. This will allow organisations and institutions time to get together, identify projects and obtain approval prior to existing funding ending. This is the only way to ensure a smooth transition period.

4.2 ColegauCymru calls on the Welsh Government to continue to press UK Government to publish its consultation on the Shared Prosperity Fund to enable key stakeholders to comment on proposals for the replacement for European funds. This is a matter of urgency for skills and employability funding.

Question 5

How best can we integrate the horizontal themes of equality, sustainable development, gender mainstreaming, and the Welsh language into investments delivered at national, regional and local levels?

5.1 The priorities of the Wellbeing of Future Generations Act need to be at the heart of plans to support sustainable and inclusive growth in all parts of Wales.

5.2 Consideration should be given to the adoption of a similar approach to the CrossCutting Themes requirements of current EU funded programmes. The idea of additional 'regional themes' is also a welcome idea. Regions that do not meet certain criteria in comparison to others can be targeted through funding agreements in order to address these criteria in their activity.

5.3 Equality and sustainable development are hugely impacted by access to high quality broadband. To raise GDP in Wales we need equal access to technology across the country. The Covid-19 pandemic has brought the issue of connectivity and digital exclusion to light.

Wales needs a stronger digital infrastructure to provide equality for all who need or want to continue learning during difficult times. Stronger broadband connectivity could lead to more innovative ways of teaching and learning in the future which are curtailed currently, especially in rural areas. The need to reduce income equality between Welsh regions will be important post-Covid19, and barriers will need to be removed in order for skills and training to be available for all.

Question 6

How can we best increase the use of the Welsh language through our proposals for regional investment, and ensure it is treated no less favourably than the English language?

6.1 Many organisations are now aligned to the new Welsh Language Standards. A condition of funding under the Framework could be that organisations/institutions more closely align to these standards; however, we must remain realistic about what is possible and demonstrate an understanding of the geography and culture of this issue.

6.2 A funding condition could be, for example, that every operation must have some basic Welsh language standards, based on a marginally higher standard than legislation. Further incentives could increase the use of Welsh, e.g. provide additional funding for actions over and above this.

6.3 The Further Education sector is already encouraging and expanding the use of the Welsh language through successful projects such as Cymraeg Gwaith. The sector continues to support increasing bilingual and Welsh language provision in skills and education.

Question 7

What are your views on the proposed delivery model for the strengthening of partnerships, co-operation and trade across borders, within the UK and with international partners?

7.1 ColegauCymru is broadly supportive of the proposed delivery model. There are many examples of cross-border projects that have been successful. The key driver for these though, must be a direct or indirect economic benefit to Wales. This could be jobs, skills, or the promotion of Welsh business globally. We can also look across borders and internationally for best practice and learn from our European partners. The 'Agile Seed Fund' could, for instance, be used to support a variety of opportunities across the skills sectors to enhance collaboration.

7.2 Many students within the FE sector have benefited from Erasmus+ opportunities whether this translates into job opportunities or partnership working or even bringing skills learned back to Wales. This should also form part of this element of the funding. The Erasmus+ scheme is essential to raising the

aspirations of vocational learners and apprentices at FE colleges in Wales. Some learners who take up the opportunity of a two-week work placement abroad have never owned a passport and would never have considered leaving the UK for work or training if it wasn't for the scheme.

7.3 Last year, ColegauCymru secured €1.57m of Erasmus+ funding for FE colleges in 2019/21. Subsequently impacted by Covid-19, this funding was due to enable over 640 vocational learners, apprentices and staff from colleges across Wales to undertake exciting training opportunities in 12 European countries. The colleges remain committed to supporting European mobility for their learners and staff despite the UK having left the European Union and the ongoing challenges of Covid-19. ColegauCymru urges the Welsh Government to support continuous participation in the programme, or the creation of a similar programme. It is vital that any replacement Erasmus+ scheme does not lose the vocational strand of funding which would result in learners missing out on life-changing opportunities.

7.4 There are opportunities here for FE institutions who are establishing an international presence beyond Europe. Welsh Government should provide support for FE to become more involved or develop similar initiatives to the HE-led Global Wales.

7.5 Since leaving the EU in January 2020, the UK has been excluded from some European Commission level networks such as the Advisory Group for the European Qualifications Framework (EQF) and the forum meetings of European Quality Assurance in Vocational Education and Training (EQAVET). ColegauCymru represented Wales in these network meetings and our understanding was that we would still be able to participate in these meetings during the transition period. These networking opportunities are crucial in ensuring that Wales' qualifications and quality assurance processes for VET are in line with those across Europe and provide a level playing field for workers and employers across the EU.

7.6 Future regional investment approaches around international and cross-border collaboration must take account of existing skills and employment networks and initiatives and seek to build on successful partnerships.

Question 8

What do you think of the proposed strategic objectives across the four investment priority areas? Are there other objectives that should be considered?

8.1 Collectively the objectives offer broad coverage of the main areas needed to improve the prosperity and sustainable futures for people. They are strongly economic/prosperity focussed, which is to be expected but this should not be at the expense of other strategic objectives aligned with quality of life and assuring basic standards of living. It would be useful to see specific objectives associated with improving the lives and opportunities for young people in order to maximise their chances of securing and sustaining high quality employment, particularly

around fairness of education and extra support for those with disabilities, mental health problems or those with caring responsibilities.

8.2 Skills, training and employability are key to many of the strategic objectives, and when considering delivery of these objectives, it is vital that FEIs are involved as key partners and not marginalised in favour of bigger organisations like HE or LAs. FEIs are anchor institutions in communities, and provide more than just skills and training to learners.

8.3 Sustainability and inclusive business growth should be central to any exploration of future inward investment in Wales. Wales should set the direction of the types of business it would like to see in this arena, emphasising the tailored support on skills, training and employability available from the FE sector to ensure businesses grow and evolve.

8.4 In terms of comments on specific objectives, it is clear (and understandable) that the consultation reflects the world prior to Covid-19.

8.5 Regarding 'Productive and competitive business', while fair work and quality jobs are important, we should ensure that definitions and expectations of fair work are themselves fair to businesses of all sizes, and not biased in favour of larger, unionised employers. Worker voice and representation will take different, likely more informal, forms in microbusinesses, for instance, and it should not be assumed that these are automatically inferior or unfair or that formal processes in larger employers are automatically superior and valid. The Further Education sector has much to offer in terms of supporting workforces across Wales to further develop skills, training and employability, as well as inclusive growth. Research and innovation in the FE sector tends to be more applied and there are successful examples of FEIs working with SMEs to develop business solutions. The capacity of FE to support innovation should not be undervalued.

8.6 In terms of reducing income inequality, the Further Education sector has much to contribute to the proposed strategic objectives, and has a strong tradition, through its adult learning and employability work, of supporting people from disadvantaged groups to participate in the labour market. There needs to be a specific youth objective for income inequality given the importance and ongoing detrimental impact of not getting this right. The impact of Covid-19 is likely to be significant in requiring individuals to demonstrate increased mobility and adaptability (between and within sectors) within the labour market, and the FE sector will have a strong role to play in supporting this.

8.7 Likewise, in terms of physical geographical mobility and the transition to a zerocarbon economy, the crisis has demonstrated the greater range of jobs that can be done from home/close to home, with the right support. This links to the transition to a zerocarbon economy where much travel previously thought of as essential has been shown to be possible to replace with better use of virtual meeting platforms. Skills are also important for the zero-carbon areas and there needs to be investment in new qualifications/apprenticeships etc.

8.8 To support healthier, fairer, and more sustainable communities, again, the FE sector has much to contribute to the proposed objectives, given the social and civic missions of FEIs, their location in the community and willingness to act as community hubs to bring people together.

8.9 The final strategic objective of improving social and economic infrastructure is vital. This has to include access to high quality broadband, from the many rural areas, to addressing 'not-spots' in towns and cities.

Question 9

Which indicators do you think should be used to measure progress towards achieving the proposed strategic objectives?

9.1 Indicators need to be firmly focused on outcomes and genuine improvements as opposed to outputs. Indicators are often balanced in favour of measuring outputs as this can be an easier task. We need to ensure that there is sufficient space for softer outcomes that are difficult to quantify but still useful. Naturally, there is a role for inclusion of certain harder targets such as qualifications and jobs as key outcomes but these cannot be the overriding focus.

9.2 Success cannot be measured by qualifications alone. Work should be undertaken to build on existing data and indicators used by ONS, for instance, about measuring wellbeing in conjunction with any data sources for measuring progress used by the Future Generations Commissioner. See, for instance, the Measures of National Well-being Dashboard and how this might be developed in a way to support measuring the Regional Investment Framework². Data should be collected consistently and on a long-term basis to enable longitudinal impact assessments. This will enable us to better understand long-term impact of interventions.

9.3 Indicators need to avoid being purely economic statistics, as these are influenced by wider factors outside the control of Welsh Governments and key stakeholders, rather than solely a funding programme. Some measure of quality of life should be included. Skills indicators should be about the needs of the economy, e.g. there needs to be realism about the skill levels actually required in the workforce, and what is achievable.

²www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuresofnationalwellbeingdashboard/2018-04-25

9.4 Access to high quality broadband must be a key indicator and priority.

Question 10

What are your views on the approach to rules for investments and governance?

10.1 ColegauCymru supports the approach outlined but this will need further detail. Those who develop and deliver projects need to be consulted on what specific rules and governance will look like. Flat rates have been a positive innovation and should be retained. Further simplification of costs should be considered in a creative way, perhaps exploring the potential of systems paid when milestones are reached.

10.2 We need to move away from paper-based systems but access to good quality broadband and compatible IT systems is essential to this. The funding body (currently WEFO) needs to be more proactive in sharing good practice between operations and directing its use. There is still significant duplication of effort in some areas but improved governance can address these issues. The Five Case Model can be helpful, but is often quite technical. As it was principally designed for major public sector investments, it needs to be carefully adapted and made proportionate to the scale of projects, likely options, and level of risk. There is also the risk of it being a paper exercise as many organisations will already have a view on what outcome they want to present as the preferred option.

10.3 More recognition should be given to the fact that public sector funded organisations in Wales do not misappropriate funding and have well established and robust practices, policies, and procedures in place to spend money in reasonably efficient ways for the intended purposes. A proportionate, risk-based approach is essential to streamlining unnecessary bureaucracy and ensuring that funding scheme can operate sufficiently to deliver their objectives.

10.4 We welcome the removal of artificial geographical boundaries as this now creates an opportunity for parity of investment.

Question 11

Should capacity to deliver the monitoring and evaluation proposals in the consultation document be prioritised?

11.1 Monitoring and evaluation processes need to be reviewed and improved in order to be of real value to their intended purpose. It would be useful to see what meaningful development of good practice has been shared across Wales and adopted for the benefit of others to date or an overview of changes made as the result of evaluation. As with funding for projects and interventions, the emphasis needs to be on outcomes rather than potentially funding an industry of evaluators. There is some good existing expertise in this area in Wales, which should be drawn on to help guide this.

Question 12

Do you agree with the proposal outlined for development of monitoring and evaluation at the regional and local level?

12.1 ColegauCymru agrees with most of the proposal outlined but has some concerns about regional levels. The consultation document states that each region would have its own monitoring and evaluation team determining how monitoring and evaluations should be carried out. This creates concerns over the possibility of unnecessary duplication of resources across regions, and value for money. Similar regions could collaborate to create similar monitoring and evaluation frameworks, or share best practice. It is essential that there is strong oversight from national level to prevent duplication.

12.2 Monitoring and evaluation process must be flexible and able to adapt to changing circumstances and external developments. It should be possible to integrate new insights and sources of data.

Any other comments or feedback

The essential nature of access to high quality broadband in every home and business in Wales does not stand out clearly enough and must be a Welsh Government priority, especially in light of Covid-19.

In addition, while we have made the recommendations above, it is important to remember that the Shared Prosperity Fund has not yet been confirmed by UK Government - consultation documents will be published "in due course" as of January 2020. The Welsh Affairs Committee recently held an inquiry into the UK Shared Prosperity Fund.

However, there are few details of how the fund will work and consequently questions remain unanswered which include what role the Welsh Government will play in

administrating the fund, and how much funding Wales will actually receive. Following the Covid-19 pandemic and the UK's exit from the EU, the social, economic and cultural landscape in Wales will be different. At present, we cannot anticipate all these potential changes. For this reason, funding and investment will need to be flexible and reactive in order to answer those unexpected needs.

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Welsh Government, A Framework for Regional Investment in Wales (2020)

Introduction

ColegauCymru welcomes the opportunity to respond to the Welsh Government's consultation on Regional Investment in Wales after Brexit. ColegauCymru represents the 13³ further education (FE) colleges and FE institutions in Wales² and exists to promote the public benefit of post compulsory education and learning.

Colleges are major providers of general education provision in Wales, helping to produce some of the best learner outcomes. Colleges are the predominant providers of funded vocational and technical education in Wales, providing about 85% of the total provision.

The Future of Regional Investment

1. What are your views on the overall approach set out in the paper?

ColegauCymru is generally supportive of the approach outlined, especially the focus on subsidiarity – policy and decision-making to be as close as possible to those upon whom it impacts. The overriding concern must be a replacement regional investment system that is devolved, integrated and need-based.

ColegauCymru has requested information on UK Government plans for regional assistance. However, little detail currently exists regarding the UK Government's "Shared Prosperity Fund" but such a fund should not be based on the Barnett formula. Current levels of funding and support to Wales must be maintained by the UK Government until the prosperity gap has narrowed sufficiently. Separate systems of funding – i.e. competing Welsh and UK Government schemes – should be avoided.

Further Education colleges have both benefitted from European funding and helped to support and upskill the population of Wales through European programmes, making important contributions to business and the economy, often in the most deprived areas of Wales.⁴ Over the past 10 years, FEIs in Wales have been involved in the delivery of EU funded projects to a total value of almost

³ [The 13 include 9 FE corporations and two FE institutions, St David's Catholic College and Adult Learning Wales. The College Merthyr Tydfil and Coleg Sir Gâr are part of university groupings.](#) ² [In this paper the terms 'FE college' and 'college' are used to cover FE colleges and FE institutions.](#)

⁴ [See: http://www.collegeswales.ac.uk/documents/Resources/453/en/gb/involvement%20of%20welsh%20fe%20colleges%20and%20institutions%20in%20eu%20fundingjanuary%202017.pdf](http://www.collegeswales.ac.uk/documents/Resources/453/en/gb/involvement%20of%20welsh%20fe%20colleges%20and%20institutions%20in%20eu%20fundingjanuary%202017.pdf)

£600m, both as project lead or project partner. Over half of the funding has come from the Structural Funds programmes, especially from the European Social Fund (ESF) to support skills development policies. Another large part of the funding came from Welsh Government's Work Based Learning programme, part funded by the ESF. Finally, a small but significant share of the funding has come from the mobility funding programmes, which enable staff and learners to undertake work experience abroad in order to increase their skills and improve their employability. Opportunities to continue this vital work must be protected.

Moreover, the high degree of concern about the potential loss of this funding across the FE sector must not be underestimated

ColegauCymru also notes that there is an opportunity to review the effectiveness of current funding schemes and to understand how best to better achieve both economic as well as social outcomes for the people of Wales.

2. What are your views on the principles identified in the paper?

Again, ColegauCymru is broadly supportive of the principles contained within the paper. However, the principles must be highlighted more clearly and demonstrate how they will deliver real benefit via a specific approach to funds managed and delivered in Wales.

3. What are your views on the core priorities or objectives for investment that should be set by the Welsh Government?

In an uncertain world where Wales faces many new challenges, as well as the legacy of the past, future investment needs to focus on the development of human capital in its widest understanding (including creativity) in order to address the changing circumstances the country will face outside the European Union. Resilience and flexibility will be key. For this reason, investment in education and skills must be maintained or enhanced, including opportunities for those in work to retrain or upskill. This can be undertaken on a more adaptable and targeted basis where geographical groupings such as 'West Wales and the Valleys' are no longer a factor.

While innovative approaches and risk are to be encouraged, priority for private business investment should be given to Wales-owned and based companies where possible. Investment in foreign-owned companies should be able to demonstrate a real and tangible benefit to the people of Wales. If this is not the case, Welsh Government structural funding risks falling into the same 'credibility gap' that has afflicted EU funding.

A key area for consideration relates to 5G technology. While the recent UK Government announcement that Monmouthshire has been chosen as a 5G Testbed site to improve rural connectivity is welcome, the Welsh Government

should seriously consider making 5G free and available to people and businesses right across Wales. This would be innovative and, in combination with investment in skills, could give Wales a genuine competitive advantage.

4. In delivering a new approach to regional investment what do you think the most appropriate roles and responsibilities are for: (a) the Welsh Government; (b) regional partnerships; and (c) local partnerships?

Welsh Government should continue to set an overarching strategy against which regional and local partnerships should deliver. However, it should not become involved in actual delivery. Further Education colleges have a successful track record of working and delivering on a regional basis, working with partners such as employers and Regional Skills Partnerships (RSPs). A large number of stakeholders on RSPs are from local authorities and it will be important to ensure a balance of perspectives both now and in the future. Regional partnerships should be held accountable both for the effectiveness of funding and also 'up-stream' for the quality of their analysis and assessment of need. Whilst supportive of, and indeed advocates of, local decision making, ColegauCymru currently has serious concerns regarding the quality of data, analysis and application of priorities via the emerging planning bodies. There are representational deficits in these processes, for example, a consistent role for the private sector, that have impacted on the effectiveness of some investments to date.

It is vital that local decision making needs to take account of the views of the range of key local bodies, including FEIs. Any greater role for Regional Skills Partnerships, for instance, would need to be clarified and agreed.

Flexibility is key – regional boundaries should not be rigid and prevent innovative approaches to delivering on regional investment. The ability to operate across more than one region, however regions are defined in the future, must be possible and facilitated where this is desirable.

5. What are your ideas about ensuring the right mix of national (all-Wales), regional (e.g. North Wales), and local (e.g. community-led) investments?

Investment should be based on a mixture of need and opportunity, with flexibility as a key feature. To achieve this, regional skills planning should have a similar national priority and resourced structures in the same way as infrastructure planning. The emerging and current models of national and regional skills planning currently rely on the voluntary and unremunerated Wales Employment and Skills Board as the national group, whilst responsibility for the development of skills policy is a matter for the relevant Minister and Cabinet Secretary. The demise of the UK Commission for Employment and Skills (UKCES) into which had Wales input is regrettable.

There is a lack of structural capacity which risks skills policy being left to the individual whim of employers, providers, local partnerships or 'deals'. The loss of these structures is not a consequence of Brexit but there is a need to develop alternative delivery mechanisms for regional assistance. However, suboptimal regional delivery models and unhelpful local competition for diminishing resources due to inappropriate mechanisms could endanger national planning and delivery of Wales' future skills needs.

The West Wales and the Valleys/East Wales programme areas created a somewhat artificial divide that made delivery more complex. A regional structure should not create the same situation, where funding is confined to such artificial boundaries. There must be mechanisms to allow delivery wherever it proves beneficial. This means that targeting should be based on need, not geography. It is clear that some areas, for example, the most deprived or more rural, need specific support. This should target interventions at issues affecting those areas and communities, such as access to services.

6. What are your views on the benefits that should be retained from our delivery of those programmes currently funded by the EU?

Experience built up over the period of EU funding to date should be recognised. However, circumstances mean that there is now a chance to revisit areas like monitoring and evaluation to ensure that these are simplified and streamlined. This should lead to greater and wider involvement and impact. The current programmes have benefitted from the introduction of simplified costs, which appear to have worked well.

7. What opportunities are there for us to do things differently and with greater impact?

Removing geographic inflexibility should enable greater impact, especially as areas outside of East Wales, West Wales and the Valleys often contain pockets of severe deprivation. Opportunities to address skills needs in all parts of Wales targeted to the needs of local areas and employers, must be taken. Further Education colleges have a positive track record of delivering on this. Integration of funds was an aspiration of the current programmes that has not been achieved in the manner which was hoped. Meaningful integration of interventions that add value, e.g. capital/infrastructure and skills, still presents an opportunity.

Future budgets need to have more capacity for flexible management, including where there is an underspend. Where projects are on target but have been delivered under budget, there needs to be capacity to manage that underspend to enhance the project rather than worrying about penalties for having underspent.

8. What ideas do you have which may help create an entirely new or innovative approach to regional investment?

Attitudes to risk must be proportionate so as to encourage innovation and experiment but be balanced against the background of limited funds.

9. What EU programmes should Wales seek to retain access to and how?

Wales must retain access to existing EU funding programmes as far as possible and where this cannot be done, replacement funding must be delivered. Many colleges' core budgets are underpinned by ESF funding, in particular, their offer to employers. The impact of the loss of this funding must not be underestimated.

One programme where there has been speculation about the potential for continued involvement is Erasmus+. Wales must retain access to Erasmus+, in terms of Further Education as well as Higher Education. A Wales-only scheme which replicates the same benefits must be explored if this is not possible. Learners from vocational courses often have their horizons completely changed after undertaking a two week work placement in Europe and such opportunities are valued by staff as well as learners. Erasmus+ has allowed staff from Further Education colleges to observe best practice in other countries.

ColegauCymru has established a solid track record in applying for, and project managing, Erasmus+ funds on behalf of the FEIs in Wales. Since the launch of Erasmus+ in 2014, ColegauCymru has secured over €1.7 million of Erasmus+ funding through its pan Wales consortium applications for staff and learner mobility projects. In 2017, ColegauCymru was successful in securing over €1 million of European funding for its learner mobility project:-

All Wales Vocational Learner Mobility 2017/19

TOTALS

481 participants, 12 FE colleges, 1 employer, 17 subjects and 9 countries

= €1,044,441.00

ColegauCymru is currently waiting for funding notification following the round of Erasmus+ applications in February 2018. If successful, 560 learners and apprentices will be able to undertake short-term work placements in Europe with funding of just over €1.3m. In addition, ColegauCymru submitted an Erasmus+ application for a pan Wales staff mobility project to Helsinki, Finland to explore how the Centre for International Mobility (CIMO) has worked with vocational colleges in the city on the design and implementation of an internationalisation strategy for vocational education and training (VET).

Examples of staff mobility projects are:

- 2014-15: Senior leaders from FE colleges in Wales, Estyn and Welsh Government visit Finland to explore how literacy and numeracy are embedded in a vocational curriculum.

- 2015-16: A visit to Basque Country, Spain to explore innovation and VET. Tknika, a centre of innovation in San Sebastian hosted the visit. Since the staff visit, ColegauCymru's CEO and Alun Davies who was Minister for Welsh and Lifelong Learning returned to San Sebastian to look in more detail at the Basque Country's strategy for innovation in relation to VET.
- 2016-17: A visit to Catalonia, Spain to explore bilingualism and employer demand for language skills in that region. Representatives from ColegauCymru, the FE colleges, Welsh Government and Coleg Cymraeg Cenedlaethol also participated.
- 2017-18: A visit to Denmark is currently being organised with Erasmus+ funding to see what actions are in place to deliver higher-level skills in a vocational setting and how capacity building amongst teaching staff is undertaken to deliver these skills.

Further education colleges as well as other providers of education and skills can bid for Erasmus+ funding in order to help fund work and study placements abroad for vocational learners, apprentices and staff. As well as submitting its own funding applications, ColegauCymru also supports and advises colleges and other organisations on submitting their own applications.

ColegauCymru advises on the portability and transparency of qualifications across Europe. We are the Welsh National Contact Point for the European Qualifications Framework (EQF), the European Credit Transfer System for Vocational Education and Training (ECVET) and European Quality Assurance in VET (EQAVET). We also contribute to the UK National Agency's (UK NA) Erasmus+ Country Advisory Group (Wales), Sector Consultative Group (UK) and the Learning Networks (UK).

Access to these networks and opportunities, along with those such as Cedefop, must be maintained. Cedefop supports development of European vocational education and training (VET) policies and contributes to their implementation. The agency is helping the European Commission, EU Member States and the social partners to develop the right European VET policies. Recent policy areas examined include dealing with the issue of long-term unemployment.

10. How would you like to be engaged in our development and delivery of a future regional investment model for Wales?

Further Education colleges are key partners in making a success of the future development and delivery of regional investment and are currently represented alongside HE and employers via the Programme Monitoring Committee. Similar social partnership inspired models should continue. ColegauCymru is happy to offer opportunities to engage the sector via meetings of its Principals' Forum, by arranging more specific sector or regionally grouped meetings or assisting with research.

Future engagement and decision making needs to take into account that Further Education is a major stakeholder in EU funded projects, and must be genuinely engaged in future strategies to have credibility. Colleges lead on pan Wales skills

operations and deal with huge numbers of learners who will be affected by the decisions taken. As noted above, over the past 10 years, FEIs in Wales have been involved in the delivery of EU funded projects to a total value of almost £600m, both as project lead or project partner. All colleges are involved in supporting young people at risk of not being in education, employment or training; ESF funded apprenticeships and Erasmus+.

The Further Education sector is a proactive and collaborative sector that is keen to get involved in conversations to help shape the future of regional investment in Wales.