

**“Consultation – The Further and Higher Education (Governance and Information)
(Wales) Bill 2013**

A response from Coleg Gwent, 08 May 2013

To: CYPCommittee@wales.gov.uk

The Explanatory Memorandum prepared by the Welsh Government describes the Bill’s main purposes in the following terms:

“The ... Bill seeks to enhance the autonomy and decision making abilities of Further Education Institutions by removing and modifying existing legislative controls on them.

The Bill also gives effect to the Welsh Government policy to allow data relevant to student grants and loans to be shared by Her Majesty’s Revenue & Customs (HMRC) with the Welsh Ministers and anyone to whom the Welsh Ministers delegate or transfer functions. The data sharing gateway is an integral part of a project to modernise the Student Finance Wales delivery service to simplify and create efficiencies in that service.”

1. Is there a need for a Bill for these purposes? Please explain your answer.

Yes. The FE sector has been independent of local authorities for some 20 years now, and has thrived and matured in that time. We have always worked very closely with the government to put their policies in place, usually very successfully, and that relationship has improved considerably since devolution. We are a highly professional sector and have demonstrated that we can govern ourselves successfully, act together through Colegau Cymru, and work well to implement Welsh Government (WG) objectives. It is also clear from the ONS decision to reclassify colleges as part of the public sector that it is in the interests of Welsh Government to make its own arrangements. Classification as NPISH will serve that purpose well. More independence for FECs will be welcome but it will not affect colleges’ commitment to working with WG and implementing their priorities, nor will it significantly reduce the influence which WG will have over the sector. Coleg Gwent’s recent development of a model of two tier governance, very closely aligned with the recommendations in the Humphreys Report, is an example of independent action by a college to take up

government policy and implement it well in the context of our own operations. We will continue to operate in that way.

2. Do you think the Bill, as drafted, delivers the stated objectives as set out in the Explanatory Memorandum? Please explain your answer.

Yes. It is clearly beneficial in terms of the modernisation of student finances in Wales. It will also deliver additional benefits as stated above: it recognises the maturity of the sector and the close relationship colleges have with WG and it avoids the pitfalls of public sector status.

3. Are the sections of the Bill as drafted appropriate to bring about the purposes described above? If not, what changes need to be made to the Bill?

Yes.

4. How will the Bill change what organisations do currently and what impact will such changes have, if any?

In our view the effect on college behaviour will be very limited. It has always been the case, even when colleges were in the private sector following incorporation, that we have been highly responsive to government policies and preferences. We are the sector that has successfully improved participation, completion and attainment over the last 15 years. We have always borrowed money with great care, albeit having to ask permission to do so. It will be useful to be able to operate more easily through subsidiaries, and the symbolism of being independent is welcome. The close relationship with WG will continue because it is in our interest and we share the government's priorities. Colegau Cymru will continue to be the voice of the sector, led well by highly professional officers and governed well by college principals and chairs. The controls retained by WG together with the high level of funding received by all colleges from that source are more than adequate to ensure that colleges are controlled remain a strong asset to the nation.

5. What are the potential barriers to implementing the provisions of the Bill (if any) and does the Bill take account of them?

We can see none once the bill is in law.

6. Do you have any views on the way in which the Bill falls within the legislative competence of the National Assembly for Wales?

No.

7. What are your views on powers in the Bill for Welsh Ministers to make subordinate legislation (i.e. statutory instruments, including regulations, orders and directions)?

In answering this question, you may wish to consider Section 5 of the Explanatory Memorandum, which contains a table summarising the powers delegated to Welsh Ministers in the Bill to make orders and regulations, etc.

Financial Implications

In our view it is important for WG to have such powers to give full effect to their policies for the benefit of Wales.

8. What are your views on the financial implications of the Bill?

In answering this question you may wish to consider Part 2 of the Explanatory Memorandum (the Regulatory Impact Assessment), which estimates the costs and benefits of implementation of the Bill.

The FE sector welcomes the increased financial independence of colleges. We also welcome the fact that FECs' assets and surpluses will stay in our control and have no negative effect on the finances of Wales as a self-governing nation.

9. Are there any other comments you wish to make about specific sections of the Bill?

The financial sector currently sees colleges as blue chip public organisations and that helps a lot with our ability to borrow funds at sensible rates. That view will need to be reinforced by the right public messages as this bill is implemented, without compromising the status of colleges or the role of WG. Correct and appropriate behaviour of colleges and WG in the future will also be important to maintain that. That is possibly the only potential risk of these changes that requires additional thought outside the Bill itself.