



## UCU Newport Branch

### Children and Young People Committee: Consultation on the Further and Higher Education (Governance and Information) (Wales) Bill

1. In the autumn the University College Union (UCU) Crosskeys Branch launched a campaign to “Keep Further Education in the Public Sector”. UCU Newport Branch was fully supportive of this campaign. A petition was signed by 246 signatories, including many Newport Branch UCU members and their families and was first considered by the National Assembly’s Petitions Committee on 19<sup>th</sup> February 2013<sup>1</sup>. In our petition we call upon the National Assembly for Wales to urge the Welsh Government to ensure:
  - i. Further education, along with publicly funded assets, is retained within the public sector.
  - ii. Colleges continue to be bound by the national agreements in FE, such as the national pay scales.
  - iii. The introduction of an all-Wales contract for FE lecturers.
  - iv. Welsh Ministers do not dissolve colleges and give colleges the ability to transfer the property, rights and liabilities to another body.
2. Whilst UCU has responded centrally on behalf of the Union UCU Newport Branch thought it would be appropriate to contribute to this consultation given our petition and on-going campaign.
3. The Further and Higher Education (Governance and Information) (Wales) Bill seeks to enhance the autonomy and decision making abilities of Further Education Institutions by removing and modifying existing legislative controls on them. We recognise that in October 2010, the Office of National Statistics (ONS) announced that it would reclassify colleges as part of central government for the purpose of national accounts, and this Bill has partly arisen in response to this reclassification. We also accept that the change in ONS classification will have significant implications for Further Education Institutions (FEIs) including any surpluses generated by colleges would be accounted for as Welsh Government funds and FEIs would be unable to retain a surplus in order to build reserves for future projects.
4. However, this Bill risks alienating and demoralising teachers and lecturers since the increase in college freedoms may allow colleges to remove themselves from nationally agreed pay scales and current negotiations to

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<sup>1</sup> <http://www.senedd.assemblywales.org/mglIssueHistoryHome.aspx?lId=5790&Opt=0>

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establish national terms and conditions; and dissolve themselves and transfer their assets and liabilities to another body.

5. In a letter dated 8<sup>th</sup> May 2013 to the Petitions Committee from the Minister for Education, he 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 this letter? The Minister confirms that transferred assets would have to be solely used for charitable purposes. Could charitable and third sector organisations end up running our FEIs? The Minister has also not explained why it might be necessary for a FEI to dissolve itself and transfer its property, rights and liabilities to another body. It is these unanswered questions and uncertainties which are of grave concerns to teachers and lecturers.
6. UCU's preferred option is the introduction of a Wales Funding Council. Running costs for the HEFCW are currently £2.9 million per annum<sup>2</sup>. If a Funding Council was set up for the further education sector then some functions currently undertaken by the Welsh Government would transfer to the new body and there would be a reduction in Welsh Government direct running costs totalling £1.06m<sup>3</sup>. Therefore we have calculated that the net cost of introducing a Funding Council would be £1.84m.
7. The Welsh Government's regulatory impact assessment for introducing an Assembly Bill makes a naïve assumption that the introduction of a Bill would not cost a penny extra to the public purse. It is suggested the policy and legislative process for achieving the proposed powers will be managed by officials within the DfES. Thus there will be no costs to the Welsh Government creating the new provisions<sup>4</sup>. Also, it is claimed by the Welsh Government that the implementation of the policies following creation of the necessary provisions will not result in additional costs for the FEIs in Wales<sup>5</sup>. However, it is suggested that doing nothing and maintaining the current system (Option 1) would cost the Welsh Government and FEIs £77,348 per annum<sup>6</sup>.
8. In exercising its persuasion we believe the Welsh Government's regulatory impact assessment is biased towards Option 3 and the facts have been presented to make this option appear as a credible solution to the problem when outstanding questions remain.

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<sup>2</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 83, Page 22

<sup>3</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 85, Page 23

<sup>4</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 94, Page 24

<sup>5</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 95, Page 25

<sup>6</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 65, Page 18

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9. One of the risks for Option 3 suggests that an Assembly Bill not may resolve the ONS accounting issue as it may arise 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<sup>7</sup>. It is possible the Minister could be pressing ahead with this Bill that would not resolve the ONS classification issue some 18 months down the line, which, in our opinion, is not prudent governance on the part of the Welsh Government.
10. In conclusion, UCU Newport Branch is concerned about the impact of this Bill upon the teaching profession. Our members are loyal and passionate educators who believe in putting the learner at the heart of our education system. We believe the result of this Bill will alienate and demoralise teachers and lecturers since the increase in college freedoms may allow colleges to remove themselves from nationally agreed pay scales and current negotiations to establish national terms and conditions; and dissolve themselves and transfer their assets and liabilities to another body.
11. UCU Newport Branch members are angry since 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”. If this Bill is passed it could undoubtedly result in industrial action; teachers and lecturers will feel betrayed by the Welsh Labour Government for introducing the break-up of FE in the public sector. We hope that AMs will vote according to their conscience and values and “Keep Further Education in the Public Sector.”

Roy McCabe – UCU Coleg Gwent Newport Branch Branch Chair  
John James – UCU Coleg Gwent Newport Branch Vice Chair

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<sup>7</sup> Further and Higher Education (Governance and Information) (Wales) Bill – Explanatory Memorandum: Paragraph 97, Page 24