

Meeting	Agenda Item	Reference No
14/03/08	10	HEFCW/08/13

1 Issue

1.1 This paper invites the Council to:

- comment on the Assembly Government's recent consultation document: '*Skills That Work for Wales: a skills and employment strategy*'; and
- delegate authority to the Chair and Chief Executive, together with the Chairs of the Council's Learning & Teaching, Third Mission and Widening Access Committees (see paragraph 2.2) to finalise HEFCW's response to the consultation.

2 Corporate Planning Implications / Rationale for paper

- 2.1 The Corporate and Operational Plan 2007-08 to 2009-10 includes an action '*in light of the review undertaken by HEFCW in 2006-07 on higher level skills needs in Wales*' to "*work closely with the HE sector to contribute to the Assembly Government's response to the Leitch review of skills, due to be made in the Autumn 2007*". The Skills and Employment Strategy, once finalised following the consultation, will constitute the Assembly Government's response to the Leitch Review.
- 2.2 A joint meeting of the Learning & Teaching, Third Mission and Widening Access Committees has been convened for 18 March to offer advice on how the Council should respond to the *Skills That Work for Wales* consultation, also taking account of the recommendations of the Webb Review of Further Education (FE). Proposed issues for discussion at this meeting are highlighted below and the Council is invited to delegate authority to the Chair and Chief Executive, together with the Chairs of the three Committees, to finalise HEFCW's response to this consultation.

3 Recommendation

3.1 The Council is invited to:

- (i) comment on the skills and employment strategy and the issues being highlighted for discussion at the joint committees meeting on 18 March 2008;
- (ii) delegate authority to the Chair and Chief Executive, together with the Chairs of the Council's Learning & Teaching, Third Mission and Widening Access Committees to finalise HEFCW's response to the consultation.

4 Timing for decisions

- 4.1 Responses need to be submitted by 10 April 2008 . Officers will prepare HEFCW's submission under the delegated authority sought above following the joint committees' meeting on 18 March.

5 Council members' interests

- 5.1 No conflicts of interest have been declared in advance of the meeting.

6 Further information

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7 Background

- 7.1 The Council's remit for 2006-07 included a requirement to submit by December 2006 "advice on strengthening the sector's role in support of the skills agenda". It also asked us to include research into the market for foundation degrees as part of our response. The reporting timetable was then delayed by the:
- review of UK skills needs to 2010 by Lord Leitch, which reported in December 2006;
 - review of FE in Wales by Sir Adrian Webb;
 - introduction into Parliament of the FE and Training Bill.
- 7.2 Given these developments which complicated consideration of the original remit requirement, officers worked with WAG colleagues to consider how best to align progress on these related matters. On 9 March 2007 a joint meeting of the Learning and Teaching, Third Mission and Widening Access Committees discussed how the Council might best respond in the light of all the developments listed above. At its meeting on 23 March 2007 the Council received a paper (**HEFCW/07/16**) inviting it to consider its position on these matters in the presence of the then Minister, Jane Davidson.
- 7.3 In May 2007, the Council received a copy of HEFCW's formal submission to the Webb Review (**HEFCW/07/CE2**) and on 1 February 2008 paper **HEFCW/08/01** presented the final Webb report. This paper also noted that on 18 January 2008 the Assembly Government had published for consultation a revised skills and employment strategy, *Skills That Work for Wales* and drew Members' attention to the fact that this strategy omitted key HE-related recommendations of the Webb Review.
- 7.4 On 27 February 2008 the National Assembly for Wales' Enterprise and Learning Committee considered *Skills That Work for Wales*. A note presented by the Deputy Minister for Skills made no direct reference to HE. It did, however, refer to "maximising ESF opportunities", where officers are working to support HEW's efforts to bring forward 5 or 6 collaborative proposals from the sector for Convergence funding to support key aspects of the skills agenda (for example, on foundation degrees, work based learning (WBL) and some postgraduate developments aimed at enterprise and entrepreneurship).

8 Skills Consultation

- 8.1 Copies of *Skills That Work for Wales* (<http://new.wales.gov.uk/consultations/>) were tabled at the Council's meeting in February. The document contains few references to HE and concentrates principally on basic skills and the economically non-engaged. Several references are made to the need for strong partnerships between FEIs, HEIs and businesses as emphasised in the Webb Review but there is no reference to the Webb Review recommendation that DCELLS should work with HEFCW to develop a funding model for apprenticeships at levels 4 and 5. Foundation degrees are mentioned, but there is no proposal to expand this route as recommended in the Webb Review.

8.2 The following table summarises the consultation questions and identifies issues where we would wish to draw attention to a HE dimension and seek steers from the joint committees meeting on 18 March.

Questions asked (pages 35-36 of the consultation)	Points to raise in HEFCW response
1. Do you welcome broad policy direction set out?	<p>In principle yes, but:</p> <ul style="list-style-type: none"> • need to consider in more detail how HE sector can contribute to their achievement
2. What should priority actions be?	<p>Whilst supporting emphasis on raising basic skills and engaging the economically inactive, also need to:</p> <ul style="list-style-type: none"> • concentrate more on higher level skills needs in Wales (as per Leitch) • evaluate role of HEIs in delivering these • include facilitation through post16/HE progression routes (as per Webb) • note potential contribution of foundation degrees
3. Does strategy strike right balance between needs & responsibilities of individuals, businesses & communities?	<ul style="list-style-type: none"> • Does the strategy need to be more explicit about the importance of raising higher level skills if Wales is to meet WAG aspirations for a knowledge based economy ?
4. Views on proposed financial contributions policy (especially chapter 2)?	<ul style="list-style-type: none"> • Should HEFCW raise the issue of how an increased onus on the individual to contribute to high level skills development costs will impact on the Assembly Government's approach to tuition fees? • Is there too much focus on basic skills at the expense of developing higher level skills? • Question the lack of funding for graduate level apprenticeships or foundation degrees as recommended by Webb?
5. Do proposals go far enough in giving employers influence on curriculum development & delivery (chapter 3)?	<ul style="list-style-type: none"> • Any specific HE issues to raise here, eg re the capacity of SSCs to speak for employers?

	<ul style="list-style-type: none"> • How will HEIs engage with the proposed Sector Priorities Fund – no consideration of HE dimension at present? • Are there any issues about the practicalities of employer engagement with HE that need to be raised in our response?
6. Specific proposals	<p>11 are listed for comment. We could suggest that in most cases the HE dimension needs further consideration, eg:</p> <ul style="list-style-type: none"> • Role of Welsh Higher Education carers Services (WHECS) in relation to the proposed Review of Careers Wales and the <i>Careers Ladder Model</i> • HEIs and the Sector Priorities Fund • HE/FE/Business links • HE contribution to the proposed NEET (not in education, employment or training) strategy • Proposals for the reform of Adult & Community Learning in Wales <p>Also, are there specific questions that have not been asked eg in relation to funding for foundation degrees and apprenticeships at levels 4 & 5 – should they be raised?</p>
7. What are the most important measures of success?	What HE measures might HEFCW propose, eg percentage of graduates in the workforce?

9 Financial implications

- 9.1 No immediate financial implications arise from this paper. However, the Council's earlier formal and informal responses to Webb and Leitch make it clear that if foundation degrees and/or level 4 & 5 apprenticeships are to be taken forward additional funding and accompanying student number allocations would be necessary.

10 Communications implications

- 10.1 All responses to this consultation will be put in the public domain.

11 Diversity and Equal Opportunities implications

This paper has no implications for age, disability, gender, race, religious belief, sexual orientation or the Welsh Language that have not already been addressed in the consultation document, which has also been tested against the Assembly's *Integration Tool*.

12 Risk Assessment

RISK	ACTION TO ADDRESS RISK
That the Welsh Assembly Government takes forward recommendations that do not fully reflect contributions from HEFCW and the HE sector	HEFCW contributes a persuasive consultation response and helps encourage other stakeholders to do likewise
Higher levels Skills needs are not properly addressed in the Skills and Employment Strategy	Dialogue and interaction with WAG officers and other stakeholders