

Education and Lifelong Learning Committee

Note of Rapporteur Group visit to ELWa

Venue: ELWa Headquarters, Bedwas

Date: Friday 19 November 2004 (9.30am to 12.30pm)

Rapporteur Group:

- Peter Black AM, Committee Chair
- Janet Ryder AM, Committee Member
- Chris Reading, Committee Clerk
- Anne Thomas, Members' Research Service

National Council for Education and Training in Wales (ELWa):

- Sheila Drury, Chair
- Elizabeth Raikes, Chief Executive
- Mike Hopkins, Deputy Chief Executive and Director of Learning
- Grenville Jackson, Director of Strategy and Skills
- Ann Jenkins, Head of Bilingual Learning
- Richard Hart, Deputy Director of Learning
- Sue Olley, Secretary and Solicitor of the National Council
- Rob Rogers, Director of Finance and Risk
- Richard Thomas, Director of Communications

Introduction

Sheila Drury welcomed the rapporteur group and introduced her colleagues.

Peter Black introduced the rapporteur group and thanked ELWa for hosting the meeting. He explained that this was part of a series of such visits by committee members to education and training organisations in Wales. The purpose of this visit was to foster a greater understanding of the work of ELWa; in particular, issues arising from the remit letter from the Assembly Government, the National Planning and Funding Framework and also the forthcoming merger with the Assembly Government.

ELWa started the meeting by showing a video featuring performing arts students from Coleg Gwent. This gave examples of how ELWa is helping to improve the skills of all age groups, from teenagers to pensioners.

ELWa gave a brief PowerPoint presentation entitled "Delivering a New Agenda for Learning". This set out the broad parameters within which ELWa is operating. A copy of the presentation is attached.

ELWa has an annual budget of some £500 million and funds about 350,000 learners.

ELWa has already carried out significant restructuring and reduced its running costs from 7 pence in the pound to less than 4 pence in the pound.

Regarding performance to date, key projects are:

- National Planning and Funding System
- Work based learning
- Workplace learning review
- Quality Framework
- Bilingualism
- European Activity
- Credit and Qualifications Framework for Wales
- Intelligence and Marketing
 - influencing attitudes towards learning
 - understanding the views of learners and employers
 - identifying the future skills needs in Wales
 - benchmarking performance and
 - evaluating the effectiveness of programmes

Regarding priorities for the future, key projects are:

- National Planning and Funding System
- Learning and the Economy
- Quality and Modernising Post-16 Learning
- Welsh Language Activities
- Business Grip (effective financial management)
- Merger with the Assembly Government

Following the presentation, there was general discussion between the Committee Members and the ELWa representatives on the issues raised. The main points discussed were:

National Planning and Funding System

ELWa stated that the credit rating process is a work in progress. Every course has an actual or notional rating at present. As validation of the ratings proceeds, there will be fewer notional ratings and more actual ratings. The weights used in the funding allocation formulae recognise the relative cost of provision.

ELWa was proposing to change the Learning Area Activity Weights (LAAWs) to stimulate demand for courses in the shortage skills areas. But due account must be made of available teaching capacity for these courses. They are also proposing changes to the Sparsity Uplift Weight, to ensure that learners in sparsely populated areas are not disenfranchised or penalised in terms of the breadth of curriculum available to them. At present, the Deprivation Uplift Weight applies only to the 'Community First' areas but it is intended to extend this progressively to cover other deprived areas in Wales.

ELWa stated that in future the Assembly Government would need to be more robust in identifying what they wanted the National Planning and Funding System to achieve. The Chair said that these issues, including the next remit letter, could be pursued further when ELWa appeared before the Committee at its next meeting on 1 December.

Funding for School Sixth Forms

ELWa intends to provide Local Education Authorities (LEAs) with their indicative level of funding for sixth forms by Christmas, as LEAs have to submit their funding proposals to the Assembly Government by 31 January 2005.

Geographical Pathfinders

ELWa intends to work with Community Consortia for Education and Training (CCETs) to review collaborative working arrangements and to carry out a performance audit.

14 – 19 Learning Pathways

ELWa accepted that they needed to engage more with ongoing activities in the 14-19 agenda. In particular, they needed to work with partners such as ACCAC and Careers Wales to encourage development of particular areas of the curriculum and to help provide effective careers advice.

Learning and the Economy

ELWa is working closely with businesses and the Welsh Development Agency to help raise the skills levels of the Welsh workforce. They are working with the Sector Skills Councils and employers to foster an interest in training and lifelong learning and are encouraging businesses to achieve Investors in People awards. A major review of skills has been completed and submitted to the Assembly Government as part of the Skills and Employment Action Plan (Stage 2).

Care Sector

ELWa is working with the Care Council for Wales to improve the skills of workers in the care sector, both caring for young children and the elderly. ELWa stated that there was a major need for training in this sector, particularly for childcare workers. There was a problem with learners dropping out between NVQ level 1 and NVQ level 4. There was a need to raise the status of working in the care sector, which was also linked to the low rates of pay. Many young mothers wishing to return to the workplace could not afford the cost of childcare and so tended to rely on family members or unregistered child minders. ELWa is reviewing its strategy for this sector and will report next March.

Quality Framework

ELWa is taking a holistic approach to quality issues. It is working with partners, such as Estyn, to improve the quality of leadership and governance in the further education sector. It is preparing a quality framework; reviewing all learning providers and asking them to prepare action plans, showing how quality can be improved. The quality framework is being developed to ensure that regular monitoring of providers' performance is used to inform planning and funding decisions, quality improvement initiatives and sharing of good practice.

Welsh Language

ELWa is concentrating its Welsh language strategy in three areas:

- Welsh for adults
- Welsh-medium provision
- Welsh language scheme

ELWa's Bilingual Unit is taking a co-ordinating role in developing this strategy. There is a capacity problem in developing Welsh for adults because there are only 40 tutors to cover the whole of Wales. A national training course for Welsh tutors is to be piloted by Cardiff University. Also, it is intended to work in partnership with the BBC and S4C to develop courses for tutors.

It is intended to establish six regional language centres, based on universities and further education colleges. Currently, the University of Glamorgan is piloting e-learning for adult Welsh learners. ELWa also intends to develop community learning and language awareness courses in partnership with the Welsh Language Board and CYD. It is intended to establish the learning centres by September 2005. These will develop pedagogical skills, based on advice from the Basque region.

ELWa's Welsh Language Scheme is currently out to consultation, and will be agreed early in 2005. The intention is to encourage the Welsh language to be used more regularly in every life; both at home and at work. Initially, funding will be targeted at the agriculture and business administration sectors. In the longer term, it is intended to improve Welsh language skills in the tourism, media and care sectors. For

the care sector, this will concentrate on 'early years' in partnership with Mudiad Ysgolion Meithrin.

Business Grip

ELWa is determined to ensure that it has robust procedures for financial management, procurement and human resource management. An action plan was produced following the critical report from the Auditor General and ELWa's appearance before the Audit Committee. The current procedures have been reviewed by independent consultants (Price Waterhouse). ELWa is currently carrying out a risk assessment of business risks, including the forthcoming merger with the Assembly Government and has taken advice from the National Audit Office.

Merger with the Assembly Government

From April 2006 onwards, the Assembly Government will assume responsibility for ELWa's policies and delivery. In the lead up to this merger, ELWa will be operating on a 'business as usual basis' and aims to deliver on all its key priorities, including the new National Planning and Funding System and the increased collaboration agenda. ELWa is determined to deliver a successful merger in April 2006 and is participating in number of working groups with Assembly Government officials to help facilitate the process.

ELWa will continue to drive the expansion in the number of learners in Wales from the current level of 345,000.

ELWa considers that its customers are particularly important and intends carrying out a consultation shortly to clarify what their customers want. ELWa intends to establish a baseline from which to evaluate how successful the merger has been. ELWa will work closely with its partners in the Assembly Government, the Welsh Development Agency (WDA) and the Wales Tourist Board (WTB) to deliver the aims of the Assembly Government's policy document 'Making the Connections'.

Peter Black stated that recent press reports estimated the total cost of merging all three bodies (ELWa, WTB and WDA) with the Assembly Government would be some £35 million. ELWa representatives were unwilling to speculate on the likely cost of the merger process. They said that 80 people were currently working on the merger, in addition to their normal duties. Also, there will be a cost associated with the separation from the Higher Education Funding Council. ELWa felt that each organisation should be assessed on its own merits, when preparing for the merger. In particular, they felt that the Assembly Government should take due account of the fact that ELWa had already carried out three restructuring exercises; shedding about a third of their initial workforce.

In response to a question from Janet Ryder, ELWa considered that the merger could lead to possible conflicts of interest; for example, regarding Ministerial decisions on closure of school sixth forms. ELWa said that they were taking legal advice on the general question of ensuring that effective procedures were in place for checks and balances, to avoid potential conflicts of interest. The Assembly

Minister would have to consider a whole series of delegations.

Peter Black asked whether the funding that ELWa currently provided to Local Education Authorities (LEAs) for school sixth forms would be subsumed into the general local government settlement. ELWa said that such detailed matters were not yet finalised.

European Union Funding

Peter Black asked what would happen if current levels of European funding reduced significantly, or ceased altogether. ELWa is planning for various contingencies but remains confident that there will be significant funding post-2007.

Agricultural Colleges

In response to a question from Janet Ryder, ELWa confirmed that agricultural colleges in Wales did not receive financial compensation for the disruption to courses caused by the recent 'foot and mouth' outbreak.

Financial Viability of Further Education Colleges

ELWa welcomed the extra funding provided by the Assembly Government to address the historic disparity in pay between FE college lecturers and teachers in school sixth forms; some £30 million over three years. This funding was helping to close the pay gap and was addressing problems of staff recruitment and retention. Once this special funding ceased, ELWa would assess the general financial health of the FE sector.

At present the number of students in the FE sector is:

- School Sixth Forms 26,000
- FE Colleges 26,000
- Work Based Learning 10,000

ELWa stated that the current financial situation in the FE sector was not sustainable. In 2002-03 the overall deficit was some £3 million. This deficit doubled to £6 million in 2003-04. FE colleges are autonomous institutions. ELWa is working with FE colleges to facilitate reconfiguration and collaboration and to encourage them to plan strategically for a sustainable future.

In response to various questions on how ELWa could help with this process, several points were made:

- ELWa has no powers to compel reconfiguration or mergers but acts as a facilitator;
- ELWa regional offices have a role in promoting efficiency savings; for example, shared use of back office systems such as payroll and personnel management;

- ELWa felt that the overall level of funding for FE provided by the Assembly Government was adequate but there was scope for resources to be used more effectively;
- After 2006, there will be a reduction in the number of students in the FE sector for demographic reasons;
- The Education Maintenance Allowance (EMA) should help counter this decline and also improve completion rates for FE courses;
- FE colleges should act responsibly and take account of the needs of their CCET area when making plans to cut services to improve viability;
- FE colleges will be encouraged to be more innovative; for example, in making better use of e-learning and managing their staff more flexibly; and
- It might be necessary to introduce tuition fees in the FE sector in the medium term.

Special Educational Needs (SEN)

In response to a question from Janet Ryder on funding for SEN, ELWa stated that this was multi-faceted:

- Some £100 million allocated for special schools and special units in mainstream schools;
- Discrete programmes provided in the FE sector for Braille and for those with learning difficulties;
- Some 140 people funded to attend special residential courses in Wales and England;
- Supplementary funding to facilitate access to mainstream programmes for SEN students;
- SEN support funding for work based learning;
- No specific funding provided to help colleges diagnose students suffering from dyslexia but colleges are being encouraged to use supplementary funds for this purpose; and
- No funding specifically to support students with dyslexia but ELWa is examining the possibility of joint funding from LEAs and local NHS Trusts.

Conclusion

Peter Black, on behalf of the rapporteur group and the Committee, thanked the ELWa representatives for their hospitality, informative presentations and constructive discussion over a wide range of issues. Sheila Drury responded that ELWa had enjoyed the meeting and welcomed this opportunity for dialogue with Committee Members and officials.