



# **Cynulliad Cenedlaethol Cymru** **The National Assembly for Wales**

## **Y Pwyllgor Plant a Phobl Ifanc** **The Children and Young People Committee**

**Dydd Iau, 23 Mai 2013**  
**Thursday, 23 May 2013**

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Cynnig o dan Reol Sefydlog Rhif 17.42 i wahardd y Cyhoedd o'r Cyfarfod  
Motion under Standing Order No. 17.42 to exclude the Public from the Meeting

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, a transcription of the simultaneous interpretation is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
Suzy Davies	Ceidwadwyr Cymreig Welsh Conservatives
Rebecca Evans	Llafur Labour
Bethan Jenkins	Plaid Cymru The Party of Wales
Ann Jones	Llafur (Cadeirydd y Pwyllgor) Labour (Chair of the Committee)
Lynne Neagle	Llafur Labour
David Rees	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Simon Thomas	Plaid Cymru The Party of Wales

**Eraill yn bresennol**  
**Others in attendance**

John Graystone	Prif Weithredwr, ColegauCymru Chief Executive, ColegauCymru
David Jones	Cyn-gadeirydd ColegauCymru Former Chair of ColegauCymru
Mark Jones	Cadeirydd, ColegauCymru Chair, ColegauCymru
David Wallace	Dirprwy Brif Swyddog Gweithredol a Chyfarwyddwr Datblygu Strategol, Y Cwmni Benthyciadau i Fyfyrywyr Deputy Chief Executive Officer and Director of Strategic Development, Student Loans Company

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Steve George	Clerc Clerk
Stephen Davies	Cynghorydd Cyfreithiol Legal Adviser
Olga Lewis	Dirprwy Glerc Deputy Clerk
Anne Thomas	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 9.33 a.m.*  
*The meeting began at 9.33 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**

## **Introduction, Apologies and Substitutions**

[1] **Ann Jones:** Good morning, everybody, and welcome to the Children and Young People Committee. I will make the usual housekeeping rules as we start off. I remind everybody at the table to switch their mobile phones and pagers off, as they affect the broadcasting and translation equipment. We operate bilingually, so, if you need the translation, it is channel 1 for the translation from Welsh to English, and channel 0 is for the amplification of the language of the floor. We are not expecting the fire alarm to operate, so if it does, we will take our instructions from the ushers, or, as I always say at this point, you can follow me, because I will be one of the first out of the building. We have apologies from Suzy Davies—she may be a little late, but she will be joining us. Do Members need to declare any interests that they have not already declared? I see that they do not.

### **Bil Addysg Bellach ac Uwch (Llywodraethu a Gwybodaeth) (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 2 Further and Higher Education (Governance and Information) (Wales) Bill: Stage 1—Evidence Session 2**

[2] **Ann Jones:** Let us continue with our scrutiny of the Further and Higher Education (Governance and Information) (Wales) Bill—when you have said that a few times, it really starts to get a bit boring, but there you go. We are going to take evidence this morning from ColegauCymru. I wonder if I could ask you to introduce yourselves. This is a legislative scrutiny process, so, if you could introduce yourselves for the record, I will then go straight to the questions.

[3] **Mr M. Jones:** Good morning. I am Mark Jones, the new, incoming chair of ColegauCymru. I am principal of Bridgend College—well, this week I am; next week, I am principal designate of Gower College Swansea. I shall be taking that role over in three weeks' time.

[4] **Mr D. Jones:** Bore da. I am David Jones, the principal of Deeside College.

[5] **Mr Graystone:** Bore da. I am John Graystone, the chief executive of ColegauCymru.

[6] **Ann Jones:** Thank you for that. I will start with the first question. Will the future role of ColegauCymru change as a result of the Bill? If so, what will be the significant changes?

[7] **Mr Graystone:** We have a very close working relationship with the Welsh Government and our member colleges, and we see the Bill, which gives more freedoms to colleges, as giving us a more important, more influential role in working with Government, because we will want to work with Ministers to look at the priorities that the Government is setting out for the sector and we will want to work with our principals and colleges to deliver that agenda. So, I do not think that the role will change substantially, but that it will become more important in terms of making sure that colleges, with their increased freedoms, work collectively—as we have done in the past—to deliver what we see as the important agenda of an elected Government.

[8] **David Rees:** Good morning. Among the provisions in the Bill are giving colleges a bit more freedom in decision making and also borrowing powers, in a sense. Before I ask about that, can you tell me how often colleges have used borrowing powers or borrowed money to date?

[9] **Mr M. Jones:** The number of loans to FE colleges has been very small, especially when compared to the situation in England. It has not been huge at all. There have been little

drip feeds over the last couple of years; that is my take on it. I do not think that anything has ever been rejected. You have corporation boards with business governors, so all the decisions are very much made in a business framework linked to the core business of the college. So, I do not think that we see it as a huge issue.

[10] **David Rees:** On that point, are you comfortable that all your governors understand the role of education? When those corporations were first created, many of the governors were business people, but did not have a clue about education, or the education world.

[11] **Mr M. Jones:** I think they have. All corporation boards go through a lot of training. You have a blend on there, which is really good. You have educationists, and, in my college, in Bridgend, there is the director of education and other representatives from an education background, then you have business governors, and you are doing training all the time to ensure that the business governors understand education and the educationists understand the business as well. When Estyn came in, it was really hot about all governors needing to understand teaching, learning and quality. All the colleges now have curriculum and quality committees, so, I think it has been an issue, David, but it has calmed down over the years.

[12] **Mr Graystone:** Just to add to that, when colleges were incorporated 20 years ago, your comment was valid. I used to attend a lot of governing body meetings in which the business governors focused on finance and not on the curriculum and quality. Now, the curriculum and quality are core parts of every governing body's business, and they have that responsibility. All the governor training is geared towards that key purpose.

[13] **David Rees:** That is good to know, because, clearly, if they are going to make decisions on borrowing, it will put the curriculum and quality into a position of risk, effectively. Do you believe that there should be safeguards in the borrowing process that might be available? I do not see safeguards in the Bill at the moment.

[14] **Mr M. Jones:** Yes, I think there should be. Obviously, that is a really difficult question for us to answer, and it is more relevant for the Minister, but I think so. We think there are already a lot of safeguards in there. Institutions are audited vigorously. In the working relationship that John referred to, with senior civil servants, we are always looking for advice and guidance, and we are always keeping them informed. We have just been at our annual conference in Cardiff; the Deputy Minister was speaking yesterday morning, and there are Department for Education and Skills officers throughout. We are meeting them in sessions, we are talking to them outside, and we had pre-meetings with them this morning as well. We work on a no-surprises basis with the Government to make sure it understands—not just for the sector, but within individual colleges.

[15] In terms of safeguarding, yes, there should be safeguarding, but others may be better placed to answer that question.

[16] **David Rees:** I suppose the reason why I asked the question is that, if you look at the reserves colleges have currently, some are small—I am talking about up to £1 million perhaps—but some are quite large, in tens of millions of pounds. The concern that I have is that money will be put into reserves simply to build a good capital base for borrowing. I have seen that happen, and, while it looks good on paper, student experience suffers as a consequence of less investment in students. That is one of the safeguards that I would have been comfortable with, namely that you do not build your reserves purposefully to have a base for borrowing, but at the cost of quality and the curriculum. I want assurances that that will not happen. What is your view on that?

[17] **Mr M. Jones:** It is a really difficult one, and it is an individual one for me. Swansea Metropolitan University, which is seen as the strongest-performing university in financial

terms, has really strong reserves. So, it is about getting that balance. We are not putting money in the bank for the sake of it; we are putting money in the bank to help us invest in students' futures going forward. That is what we are about. We are a business, but we are a business that is about education. That is the bottom line. If the money is just sitting there, it is not doing a lot. Then again, finances are tight and you need to make sure that you have that reserve so you can deal with problems. It is about constantly finding a balance between what is best for the students and making sure that the institutions are robust and solvent.

[18] **David Rees:** We have two principals here: have you established subsidiary companies in your colleges? This Bill gives you freedom to create subsidiary businesses.

[19] **Mr D. Jones:** We do not have a subsidiary company at the moment. In the last 10 to 15 years, on one occasion we had a subsidiary company linked to a national training organisation. I was not the principal of the college at that time, and that company was wound up about six years ago.

[20] **Mr M. Jones:** There are two. We have one that is dormant, through which the college used to put some of its training activities, and we have one other small private training company that complements the work of the college. We have kept it separate from the college at this stage, but it is complementary work so students get experience. It is all about getting students back into work, and then they will come back to that and then progress across to the college. The two complement each other, and we can get a wider reach in that way. It is a really small company, with a £0.5 million turnover. That is the only other one that we have.

[21] **David Rees:** How would you see the greater flexibility in the Bill to provide colleges with opportunities to create subsidiary companies being enacted? It sounds as if you do not think that it will be.

[22] **Mr Graystone:** I do not think that the Bill makes any difference. We can do it already. I think that what the Bill mentions is that the college itself is run by a subsidiary company, or sets up its own company, and I think that that is a different matter. We may come on to that later. However, we have the power now to do it, and the Bill does not make any difference to that.

[23] **David Rees:** I think it is accountability and the transfer of assets as a consequence of all that that is an important consideration in the Bill. What is your view on creating subsidiary companies for such purposes? It sounds as if you do not believe that it is going to happen.

[24] **Ann Jones:** You do not have to respond, if you are happy with the answers that you have given. We do not have to keep pursuing it; we can move on. Aled and Simon have points that they want to raise on this issue. Aled is first.

[25] **Aled Roberts:** Yr hyn sydd o ddi-ddordeb i ni yw, os nad oes gymaint o atebolrwydd o ran creu is-gyrff, a oes perygl bod elw o fewn y coleg yn cael ei sianelu i'r is-gyrff hyn yn hytrach nag i'r ddarpariaeth addysgol o fewn y coleg?  
**Aled Roberts:** What is of interest to us is, if there is not as much accountability in terms of creating subsidiary bodies, is there a danger that profit from the college would be channelled into these subsidiary bodies rather than into educational provision within the college?

[26] **Mr M. Jones:** I have never thought about that. It works the other way. If the private training company makes a little bit of money, all the profits go into the college and are invested back in the college. It is the college that is running that company. It is the college's business. What we are doing is running something a little bit separate to help fund the college. I have always seen it going one way. I understand your question, but I have never thought

about it.

[27] **Simon Thomas:** Gyda'r rhyddid newydd sy'n cael ei gynnig yn y Bil ar gyfer benthyca, a ydych yn rhagweld unrhyw reoliadau neu ganllawiau newydd gan y Llywodraeth ynglŷn â benthyca? A ydych yn rhagweld y bydd unrhyw newid fel canlyniad i'r Bil o ran y ffordd rydych yn cael eich archwilio? Hynny yw, rydych yn symud o un sefyllfa i sefyllfa arall ac mae gennych fwy o ryddid. A ydych wedi trafod sut y byddai hynny'n cael ei reoli?

**Simon Thomas:** Given the new freedom proposed in the Bill for borrowing, do you anticipate any new regulations or guidelines from the Government in relation to borrowing? Do you think that there will be any change as a result of the Bill to how you are audited? That is, you are moving from one situation to another and you have more freedom. Have you discussed how that will be managed?

[28] **Mr D. Jones:** Mae llawer o ddatblygiadau newydd o ran hynny. Mae hyn yn dod o'r Llywodraeth. Nid ydym yn ymwybodol o unrhyw newid o ran yr argymhellion sydd wedi dod drwyddo, ond efallai y daw hynny'n gliriach dros amser. Rydym yn edrych i'r Llywodraeth ddod â hynny ymlaen i ni cyn inni allu gweld ai dyna'r sefyllfa.

**Mr D. Jones:** There are many new developments in that regard. This comes from the Government. We are not aware of any change in terms of the recommendations that have come through, but perhaps that will become clearer over time. We are looking to the Government to bring that forward before we can see whether that is the situation.

9.45 a.m.

[29] **Simon Thomas:** Felly, mae gennych rywfaint o hawl i fenthyca ar hyn o bryd, ond mae'n rhaid i chi gael caniatâd y Llywodraeth.

**Simon Thomas:** So, you have some right to borrow at the moment, but you have to have the Government's permission.

[30] **Mr D. Jones:** Oes.

**Mr D. Jones:** Yes.

[31] **Simon Thomas:** Rwy'n cymryd, felly, gyda'r caniatâd hwnnw y mae llinynnau yn dod hefyd. Hynny yw, maent yn dweud wrthyf y cewch ganiatâd ond bod yn rhaid i chi wneud un peth neu'r llall. A ydych yn disgwyl y bydd rhywfaint o ganllawiau yn eu lle ar gyfer yr hawliau newydd hyn fydd gennych?

**Simon Thomas:** I assume, therefore, that with that permission there will be strings attached. That is, they tell you that you can have permission but you have to do certain things. Do you expect some guidelines to be in place for these new rights that you will have?

[32] **Mr D. Jones:** Cawn weld beth a ddaw drwodd. Credaf y byddai'n ddefnyddiol iawn i wneud hynny. Ar ddiwedd y dydd, yr ydym yn gweithio fel colegau yng Nghymru. Gwlad fach yw hi, a nifer go fechan o golegau sydd gennym. Yr ydym yn gweithio'n agos iawn â'r Llywodraeth i lunio ac i ddarparu polisi. Felly, credaf fod y cysylltiad hwnnw yn ein helpu. Y peth pwysicaf sydd gennym yw'r llywodraethu. Y llywodraethu sydd yn ymdrin â'r risg sydd yn bodoli mewn unrhyw sefydliad. Yr wyf i'n rhagweld y bydd yr ochr llywodraethu yn

**Mr D. Jones:** We will see what comes through. I think that it would be useful to do that. At the end of the day, we operate as colleges in Wales. It is a small country with a small number of colleges. We work very closely with the Government to shape and to provide policy. So, I think that that link helps us. The most important thing that we have is governance. It is governance that deals with the risks that arise in any organisation. I anticipate the governance aspect continuing to develop over the coming years. I am sure that we all read Rob Humphreys'

dal i ddatblygu dros y blynyddoedd nesaf. Mae'n siŵr bod pob un ohonom wedi darllen am argymhellion Rob Humphreys ryw ddwy flynedd yn ôl. Mae sawl coleg eisoes yn dechrau datblygu'r ffordd o weithredu er mwyn mabwysiadu llawer o'r ffyrdd y mae wedi eu cyflwyno i ni. Credaf y bydd y ffordd honno o weithio yn digwydd dipyn mwy ar draws y colegau yn y blynyddoedd i ddod. Mae yna enghreifftiau eisoes, fel yng Ngholeg Gwent. Rydym i gyd yn edrych ar hyn, yn enwedig mewn cyd-destun uniadau, *transformation* ac ati, lle y mae colegau go fawr yn cael eu datblygu bellach, sydd yn gweithio dros y rhanbarthau mawr. Credaf fod y ffordd o lywodraethu yn bwysicach nag erioed i sicrhau bod pobl leol yn cael lleisio'u barn, a bod yna lywodraethu cryf. Mae atebolrwydd mawr yno, yn enwedig o fewn sefydliadau mawr.

recommendations some two years ago. A number of colleges are already starting to develop ways of operating to take on board many of the ideas that he has presented to us. I think that that way of working will be implemented a great deal more across the colleges over years to come. There are examples already, such as in Coleg Gwent. We are all looking at this, particularly in the context of mergers, transformation and so on, where large colleges are now being developed, which work across large areas. I think that the methods of governance are more important than ever to ensure that local people can have their voices heard, and that there is strong governance. There is a great deal of accountability there, particularly within large organisations.

[33] **Simon Thomas:** Mae'n siŵr bod honno'n faes arall y byddwn yn dod ati maes o law.

**Simon Thomas:** I am sure that that is another area that we will come to later.

[34] **Ann Jones:** David, would you like to carry on with the part B questions?

[35] **David Rees:** I wish to move on to the articles and instruments of governance. Obviously, in 1992, they were set up and established. This Bill will now give you autonomy over the articles and instruments of governance. In the first instance, they will need to be approved, and we have asked the Minister, and we will continue to chase the Minister as to who approves those first, but, following that, they can be modified. Who do you think should make the decisions on whether those modified articles and instruments of governance are actually appropriate?

[36] **Mr M. Jones:** We have wide consultation. Again, it is not a huge issue. We do not see it as changing anything. We are not going to change our instruments and articles. If there were recommendations to improve, I am sure that we would get together as a sector and look at best practice, and we would take advice and guidance, including from the Welsh Government. We would ask for that support. We very much see ourselves as part of the solution. The further education sector has had several good years now. That is, in part, because of the strong links that we have. As to whether we would do something outside, I do not think that we would, David. I think that the links, the reliance, and the way that we work together with senior civil servants are very strong, and we would continue to do that. We are not going to tweak the instruments and articles. To be fair, we have other things to do, about education and skills, than worry about that. It is the same as the Humphreys report; it is almost a non-issue for us. We are just going to do it; we are just going to get on and do it.

[37] **David Rees:** I appreciate that, and I have confidence, therefore, that you will do that, but, obviously, we need to ensure that what goes into statutory provision is able to provide that guarantee on a longer term basis. Clearly, this is not a problem for you, so there should be no problem if we were to recommend, for example, that any modifications should be approved by the Welsh Minister or whatever.

[38] **Mr Graystone:** I think that the risk with that is that it would then affect the judgment

of the Office for National Statistics, because there needs to be a clear distinction between what the college can do and what the Government can tell it to do. To me, the Bill is based on trust. We are giving a commitment that we will deliver as a sector. We will work very closely with the Welsh Government. I think that, if you start putting in restrictions, the risk is that the ONS would decide that you are not truly independent. Clearly, we would listen to advice, but I think that we need to make sure that we are quite clear that there is a distinction between what the Government can ask us to do and what we will do. What we are doing publicly is giving a commitment, as we have done in the past. We have done a lot of things in the past that we did not have to do, but we have done them, because we believe that it is right. David has already referred to the Humphreys report; we believe it is right and that Colegau Cymru should be accountable. We were not told to do that, and in the same way, we will accept the spirit with which the Welsh Government wants to operate. However, if it has written requirements, it would affect that final decision.

[39] **David Rees:** However, you are not adverse to someone, whether it is Welsh Government or a regulator perhaps, having some form of oversight. At the end of the day, a lot of public funding is going into FE colleges, and it is important that we ensure that the articles and governance are correct and appropriate to the institution and to the locality. The question that we want to be sure about is: who has that final say on whether they are appropriate? Is it the colleges themselves—private organisations as it would happen consequently—or should there be some overriding view of that? I am just trying to tease that out.

[40] **Mr Graystone:** I would say that it would have to be the college, given what is in the Bill. I would not want to use the word ‘private’; we are non-profit institutions serving households. We are not-for-profit institutions and we are there to benefit learners, our local communities and employers; that is our *raison d’être*. That is what we are there to do, and that is what we will continue to do. The Bill reflects the maturity of the sector and how we have developed over the last 20 years.

[41] **Mr M. Jones:** It is about that element of trust. The Government wanted transformation; we have done transformation. It wanted success rates to go up; we have done that with success rates, as with value for money and learning. We have done everything that we have been asked to do. Sometimes, we have got it slightly wrong and we have shared practice and got it back together, but we have done everything that has been asked of us. That has been one of the successes because that has allowed us to move forward and that relationship will stay.

[42] **Keith Davies:** Gofynnaf fy nghwestiynau yn Gymraeg. Dros y blynyddoedd, rwyf wedi bod yn gweithio yn y maes hwn. Roeddwn yn becsu, yn ôl yn 1992, eich bod yn cael gormod o bwerau. Yn y pen draw, arian cyhoeddus yw hwn. A oes digon o bŵer gan y Gweinidog? Nid wyf yn meddwl bod digon o bŵer ganddo. Derbyniaf eich bod yn ddau brifathro da, ond nid yw pawb yr un peth â chi. A oes digon o bŵer gan Lywodraeth Cymru a’r Gweinidog i sicrhau nad yw rhywun yn mynd o chwith ac yn gwario arian cyhoeddus fel na ddylent?

**Keith Davies:** I will ask my questions in Welsh. Over the years, I have been working in this field. I was concerned, back in 1992, that you were being given too much power. At the end of the day, this is public money. Does the Minister have enough power? I do not think that he has enough power. I accept that you are two good principals, but not all people are like you. Do the Welsh Government and the Minister have enough power to ensure that things do not go wrong and that people do not spend public money in ways that they should not?

[43] **Mr D. Jones:** Mi wnaf ymateb. Rwy’n sicr bod yna. Cawn weld sut y daw’r manylion drwyddo, ond mae gennym ein

**Mr D. Jones:** I will respond. I am sure that there is. We will see how the details develop, but we do have our own governance from the



llywodraethu ein hunan o safbwynt y polisi ac ati sy'n datblygu. Mae gennym *audit* mewnol ac *audit* allanol. Mae Estyn gyda ni, ac mae gennym graffu, o safbwynt safonau ein colegau, sydd yn hollol agored i'r cyhoedd o flwyddyn i flwyddyn. Nid ydym wedi cael hynny o'r blaen, ond mae yna i bawb i'w weld. I fynd yn ôl at y llywodraethu, mae'r llywodraethu hyn mor bwysig. Mae'r model sydd gyda ni ar hyn o bryd yn gweithio'n dda. Os edrychwch ar y sector addysg bellach dros y 10 mlynedd diwethaf, mae'n bell o fod yn berffaith, ond o'i gymharu â rhai rhannau eraill o'r sector addysg yng Nghymru, y sector addysg bellach yw un o'r rhannau mwyaf llwyddiannus. Mae hynny'n dangos bod y *controls* yn eu lle, ac yn dangos bod llywodraethu yn digwydd ac yn gallu gweithio.

[44] Hefyd, fel y dywedodd Mark, mae'n ymwneud â'r berthynas hwn sy'n bodoli rhwng y colegau a'r Llywodraeth. Rwy'n credu bod digon o bethau mewn ffordd. Rwy'n cyd-fynd â chi yn llwyr; mae lot o'r colegau yn arloesol dros ben ac yn dod ag arian i mewn o lot o ffynonellau gwahanol, ond ar ddiwedd y dydd, yr arian sy'n dod o'r sector cyhoeddus yw'r rhan fwyaf o'r arian rydym yn ei wario o flwyddyn i flwyddyn.

[45] **Keith Davies:** Mae fy ail gwestiwn yn ymwneud â thrafodaethau gyda'r undebau. Mae'r undebau efallai yn credu bod gormod o bŵer gyda chi fel prif athrawon a gyda'r llywodraethwyr. Faint o drafodaethau a ydych wedi eu cael gyda'r undebau ar hyn?

[46] **Mr D. Jones:** Ynglŷn â—

[47] **Keith Davies:** Ynglŷn â'r pwerau sydd gennych.

[48] **Mr D. Jones:** Nid ydym yn siarad yn uniongyrchol â'r undebau yn lleol yn ein colegau ynglŷn â'r pethau hyn. Mae gennym ni i gyd strwythurau sy'n golygu bod ffyrdd o gydweithio ag undebau ar bethau sy'n ymwneud â darpariaeth y coleg. Fodd bynnag, ar lefel genedlaethol, mae cysylltiadau cryf rhwng ColegauCymru a'r undebau. Er enghraifft, rwy'n siŵr eich bod yn gwybod yn barod, rydym yn dal i fod yng nghanol trafodaethau ynglŷn â chontract

point of view of the policy and so on that is developing. We have internal and external audits. We have Estyn, and we have scrutiny, from the point of view of the standards in colleges, which is entirely open to the public from year to year. We have not had that before, but it is now available for everyone to see. Going back to the governance, this governance is so important. The model that we have at present is working well. If you look at the further education sector over the past 10 years, it is far from perfect, but compared to other parts of the education sector in Wales, the further education sector is one of the most successful elements. That shows that the controls are in place, and that good governance is happening and can work.

Also, as Mark said, it is about this relationship that exists between the colleges and the Government. I do think that there are enough things in a way. I agree entirely with you; many of these colleges are innovative and do bring in funding from a great many sources, but, ultimately, the funding that comes from the public sector is the majority of the funding that we spend on a year to year basis.

**Keith Davies:** My second question relates to the discussions with the unions. The unions believe that perhaps you have too much power as principals and that the governors have too much power. How much discussion have you had with the unions on that point?

**Mr D. Jones:** On—

**Keith Davies:** On the powers that you have.

**Mr D. Jones:** We do not speak directly with unions locally in our colleges in relation to these issues. We all have structures to ensure that there are ways of co-operating with unions on issues in relation to the college's provision. However, on a national level, there are strong links between ColegauCymru and the unions. For example, I am sure that you are already aware that we are still in the midst of discussions in relation to a national contract. I am in favour of that entirely, and I

cedlaethol. Rwy'n hollol o blaid creu hynny, ac rwy'n siŵr y gwnawn ni cyn bo hir. Fodd bynnag, mae cryfder yno o safbwynt y cysylltiadau rhyngom a'r undebau. A oes gwahaniaeth barn? Oes, mae lot o wahaniaethau barn yn sicr, ond dyna yw bywyd. Mae perthynas dda a phroffesiynol rhyngom ni.

am sure that we will ensure that very soon. However, there is strength there in relation to the links with the unions. Is there a difference of opinion? Yes, there is a great deal of difference of opinion, but that is life. We have a good and professional relationship with the unions.

[49] **Aled Roberts:** Hoffwn gyfeirio at bwerau'r Llywodraeth i ymyrryd ac at eich tystiolaeth ysgrifenedig chi. Rydych wedi datgan yn y dystiolaeth honno bod nifer fawr o'r cyfyngiadau a'r rheoliadau o ran y Llywodraeth yn ddiangen. Pa gyfyngiadau penodol a ydych chi'n credu sy'n ddiangen ar hyn o bryd?

**Aled Roberts:** I would like to refer to the Government's powers to intervene and to your written evidence. You declared in that evidence that many of the limitations and regulations in terms of the Government are unnecessary. What specific restrictions do you believe are unnecessary at present?

[50] **Mr Graystone:** The question has been raised about the use of public money, and we accept entirely, as taxpayers, that moneys needs to be spent well and for the purposes intended. At the moment, the Government provides roughly about 80% of college income. We generate an additional 20% on top. It is quite right and proper that when that money is invested in colleges that clear rules and regulations are established about how that money can be used. That will still continue. It is not given to us for free to do what we like with it; there are certain purposes, and that will still continue under the new arrangements.

[51] What we are saying to you is that we are a mature sector. We have been incorporated for 20 years, we have worked hard to deliver the agenda and now we have reached a point where the ONS has suddenly forced our hands, so the Government makes a decision, saying, 'Yes, we can give you more freedoms because we believe that you will deliver'. The downside is that if you decided not to do that, and if we then became classified as public sector, a whole lot of implications would follow and we think that that would be turning the clock back by 25 years and that it would be very disadvantageous for the sector. When the Minister spoke to you, he said that he did not really want to do this, but the ONS, in a sense, has forced his hand. We would take a more positive view that you are doing it because you trust us and believe that we will deliver, but, equally, we know that the real reason is about the ONS classification. Not much will change as a result of the Bill. All it will do is probably clarify the relationships, but there will still be checks and balances. We are still heavily audited. We have to send in regular submissions on our funding et cetera. So, as taxpayers, you can trust the way we spend public money.

[52] **Aled Roberts:** Gofynnwn ni i'r Gweinidog wythnos diwethaf ynghylch rhai o'r pryderon o ran a fydd y colegau annibynnol yn ymateb i anghenion dysgwyr a busnesau lleol. Rydym wedi cael tystiolaeth fel pwyllgor o'r blaen, mewn ymchwiliad yn y gorffennol, fod llawer o'r ddarpariaeth yn ymwneud â sgiliau addysgol yn y coleg, yn hytrach nag anghenion busnes lleol. Dywedodd y Gweinidog wythnos diwethaf na fyddai'n barod i ymyrryd lle roedd e'n teimlo nad oedd y colegau yn ymateb i anghenion dysgwyr neu fusnesau lleol, ond bod ganddo bwerau eraill o ran cyllido a

**Aled Roberts:** We asked the Minister last week about some of the concerns regarding whether the independent colleges would respond to the needs of learners and local businesses. We have received evidence as a committee previously, in a previous inquiry, that a lot of the provision relates to educational skills within the college, rather than the needs of local businesses. Last week, the Minister said that he would not be willing to intervene where he felt that the colleges were not responding to the needs of local learners or businesses, but that he had other powers in terms of funding, and he spoke

soniodd yn bendant ynghylch y cynllun clearly about the new scheme. What is your  
newydd. Beth yw eich barn chi am hynny? opinion about that?

[53] **Mr M. Jones:** He does have lots of powers: financial memoranda and the remit letter every year clearly specify what we have to do, and David is right that we are heavily audited. So, there is reliance there. For me, it is that layer of relationship on top and the links that we have with civil servants and the Government—we keep them informed, they give us advice, and we respond to that. So, you have that layer, it is just not formal, but it happens all the time.

10.00 a.m.

[54] In terms of learners and businesses, the conference was yesterday, and Emma Watkins from the Confederation of British Industry came down. It is important that the CBI is talking to colleges. We discussed whether we are meeting their needs, and it was very positive about the relationship between colleges and businesses. I appreciate what you are saying about 1992, but the college sector has moved dramatically since then, particularly in the last six or seven years. We are responding to businesses, local learners, higher education and many other things. The difficulty FE has is that it does so much that sometimes it gets complicated in terms of what we actually do, but we are doing all of that, because that is what we are here to do.

[55] **Aled Roberts:** I think that we would acknowledge that there has been a lot of progress, but we had evidence during a previous inquiry from the sector skills councils in particular that said that it was patchy, and that there were areas where there was not a response to the needs of local business and industry in the provision of courses. That is not everywhere. We wanted to tease that out. Where there is greater autonomy, of course, there is a danger that perhaps a move towards more regular provision across the board might be more difficult.

[56] **Mr M. Jones:** We recognise that it is not consistent across the board. There will be gaps and some areas will be working really well in some industries with some colleges. We talked yesterday about the CBI and Colegau Cymru perhaps working together on a document of good practice, so that we can show where it works strongly and we can roll that out. In some cases, colleges need to step up in some areas and, in some cases, employers also need to step up. We had that discussion yesterday. We will work together to close those gaps, because we know that we are not perfect in every way, but the intention is there to keep on doing more and more, and to respond as much as we possibly can.

[57] **Mr Graystone:** The Minister issues us with a priorities letter and in his last letter he set out four priorities, one of which was employer engagement. He set out some shortcomings where we need to step up to the plate and do better. We have listened to that and we have responded. We will never be perfect as institutions, we always want to get better, but employer engagement is at the top of our agenda. How can we improve what we are doing already? It was interesting, in the CBI presentation yesterday, from memory, you were saying that employers often are not clear what they want. So, it is about getting that dialogue, sitting down and talking to each other and asking, ‘How can we best serve your needs?’ That is a very important part of what we do.

[58] **Aled Roberts:** Hoffwn ofyn **Aled Roberts:** I would like to ask another  
cwestiwn arall ynglŷn â bwloch arall. Mae'n question about another gap. I should note that  
rhaid imi nodi bod fy ngwraig yn gweithio o my wife works in further education within  
fewn y sector addysg bellach o fewn Welsh-medium provision. There has been a  
darpariaeth cyfrwng Cymraeg. Mae symud big shift within the sector in the last five  
mawr wedi bod o fewn y sector yn y pum years, but provision continues to lag behind

mlynedd diwethaf, ond mae'r ddarpariaeth yn dal i fod rhywfaint y tu ôl i'r twf y gwelwn o fewn addysg Gymraeg mewn rhai rhannau Seisnig yn benodol. Sut fydd y sector yn gwarantu bod y gwelliant o ran darpariaeth ar draws Cymru o fewn y sector cyfrwng Cymraeg yn cael ei gynnal, wrth i ni weld twf o fewn ysgolion cyfrwng Cymraeg?

the growth we see in Welsh-medium education in some more-English-speaking areas specifically. How will the sector guarantee that this improvement in provision across Wales within the Welsh-medium sector will be maintained, as we continue to see the growth of Welsh-medium schools?

[59] **Mr M. Jones:** That is because we will, Aled; that is the short answer. It is one of the four key priorities in the remit letter to which John referred. We all have bilingual champions who are already making an impact in the communities. From Bridgend's point of view, we had a big awards ceremony last year and Bridgend won the award for Welsh. We trained English-speaking lecturers in the Welsh language, so that they could deliver through the medium of Welsh to both college students and 14 to 16-year-olds in our two local Welsh comprehensive schools. Last night, we were shortlisted again for the award for Welsh, although we were pipped by Menai; quite unfairly, I should say. [*Laughter.*]

[60] Best practice is being shared like anybody's business across the college—'This is working', 'Have you tried that?', 'That is really good'. We are in the process of a huge roll-out and development of that. It is one of the priorities. We have to deliver it from a business point of view, otherwise the Welsh-speaking schools will do it themselves and they will miss us out. We are really well-placed to do it, so we are going to respond to it.

[61] **Mr D. Jones:** Rwy'n cytuno â'r hyn y mae Mark yn ei ddweud a rwy'n cytuno hefyd, Aled, bod yn rhaid inni wella. Mae lot wedi digwydd ac rwyf wedi sôn amdano'n barod yng nghyd-destun trawsnewidiad a'r uniadau hyn. Mae'n rhaid inni edrych ar y colegau newydd sy'n bodoli yng Nghymru yn awr—colegau o faint—a dweud wrthynt fod yn rhaid iddynt wella'u darpariaeth yn y Gymraeg yn gyffredinol ac wrth gydweithio efo cwmnïau. Yn sicr, ar lefel bersonol, rwyf wedi bod yn gweithio yn agos iawn â Chomisiynydd y Gymraeg. Yn y coleg newydd y byddwn yn ei greu yn y gogledd-ddwyrain cyn bo hir, sef coleg Cambria, bydd ffocws mawr ar yr ochr Gymraeg. Rwy'n credu bydd gennym gyfle fel colegau mawr i roi mwy o adnoddau a mwy o bwyslais ar yr ochr Gymraeg. Rwy'n hollol glir bod yn rhaid i ni fesur pa mor llwyddiannus yr ydym wrth wneud y gwaith hwn.

**Mr D. Jones:** I agree with what Mark said and I also agree, Aled, that we have to improve. A great deal has changed, which I have already spoken about in the context of these transformations and mergers. We have to look at the new colleges that now exist in Wales—colleges of great size—and tell them that they have to improve their Welsh-medium provision generally and in collaborating with companies. On a personal level, I have been working closely with the Welsh Language Commissioner. In the new college that we are developing in north-east Wales, coleg Cambria, there will be a great focus on the Welsh-language side of things. I think that we will have an opportunity as large colleges to allocate more resource and place a greater emphasis on the Welsh-language side of things. I am completely clear that we have to measure our success in this work.

[62] **Ann Jones:** Simon and Keith have a couple of points on this.

[63] **Simon Thomas:** In the evidence given in response to the White Paper originally, HE institutions in Wales were quick to spot that the Minister was retaining the powers to abolish the post-1992 institutions—or you know what I mean, to abolish in some cases. Anyway, he retained those powers in the case of HE but was voluntarily giving them up as regards your sector. You have just said that 80% of your funding is public and 20% is not. I think that HE institutions would say that they get less public funding than that and, therefore, would raise an eyebrow that you need to be reclassified, according to the ONS, when the HE sector does not.

How do you respond to that? Is this something that you discuss with your HE colleagues or are you merry and happy to get a Bill that suits your purposes?

[64] **Mr Graystone:** I do not want to comment on the HE perspective, but all that I would say is that the Minister will have the power to direct a governing body to dissolve itself, which to me sounds like a tough sanction. I hope that he will never have to use that power, but some protections are built in. The next time I speak to our HE colleagues, I will ask the same question, but, for us, there are protections in place. The Minister would direct a governing body, and I think that no governing body would ever turn that down, because he simply would say, 'Okay, I'll stop funding you', which is a strong power.

[65] **Mr M. Jones:** You commented that it is the Bill that we want. This did not come from the FE sector. There are other issues here. You are a bit unfair with 80%; I think that the average is more like 70% or 65% these days.

[66] **Mr Graystone:** It depends on whether you include the work-based aspect—there is a whole range of local contracts.

[67] **Mr M. Jones:** Sixth-form colleges—

[68] **Mr Graystone:** The current funding is lower than that.

[69] **Simon Thomas:** However, the Minister said last week that the powers were very much back-stop powers and that he would rely on finance and naming and shaming, which we have seen is a great success in Wales so far. *[Laughter.]* Are you prepared to be named and shamed if you cannot do what the Minister says that he wants you to do? He does not have the power to tell you to do it, but he wants to name and shame you into doing it. Is that the way to get the FE sector to align itself with the social, economic and educational priorities of Wales? Estyn has also said, 'Let's watch the powers here. This could mean that the FE sector goes away a little bit from what the Welsh Government wants to see achieved.' Are you content with this?

[70] **Mr Graystone:** May I respond that the Bill will not change a great deal? It is just going to clarify where we are at the moment. We have not been named and shamed in the past, but, to be honest, if a college is underperforming and doing badly, it is the Minister's right to name and shame it. We hope that we would work collectively to make sure that that never happens, but the Minister has that right—a democratic right.

[71] **Mr M. Jones:** We are proud of our institutions. We want to make a big contribution to our local communities, so none of us would want our college to be named and shamed. So, that is a deterrent. Estyn is really important to us, as is the reputation of further education; we want schoolchildren to recognise that further education is an option. Naming and shaming would not help that at all, so we would be keen to keep our names up at the top so that parents, pupils and employees see us as an option. If we were to be named and shamed, I do not think that that would do us any favours whatsoever.

[72] **Ann Jones:** I call on Keith, and then we will have to make some progress, because we have only 10 minutes left and quite a few questions.

[73] **Keith Davies:** Gwnaf ofyn fy nghwestiwn yn Gymraeg eto. Mae hyn yn ymwneud â rhywbeth a ddywedodd Mark yn gynharach, sef sôn am y sector fel opsiwn. Roeddwn yn sôn am addysg cyfrwng Cymraeg a dywedasoch, 'Os nad ydym ni'n **Keith Davies:** I will ask my question in Welsh again. This related to something that Mark said earlier, when talking about the sector as an option. I was talking about Welsh-medium education, and you said, 'If we don't do it, the schools can do it'. My

ei wneud e, caiff yr ysgolion ei wneud e'. Fy nghwestiwn i yw: ble fyddai'n well? A fyddai'n well bod y disgyblion yn aros yn y chweched dosbarth a chael addysg cyfrwng Cymraeg neu eu bod yn symud i goleg lle rydych yn gorfod cael darlithwyr i ddysgu Cymraeg? Beth yw'r sefyllfa a faint o gydweithio sydd rhyngoch chi a'r ysgolion cyfrwng Cymraeg?

question is: where would be better? Would it be better for pupils to stay in the sixth form and receive a Welsh-medium education or that they move to a college where you then have to have lecturers learning Welsh? What is the situation and how much collaboration is there between you and Welsh-medium schools?

[74] **Mr M. Jones:** It is improving all the time. I think it depends on where the best teaching and learning is, and on facilities. Certainly, I have a strong view that vocational education is better done within the colleges, because we have the facilities. I think the discussion around A-levels is open, I think this depends on a lot more factors and they probably differ between institutions. Those links are developing all the time. Certainly, with a number of the courses that we have done, we have a Welsh-medium school in Bridgend and one in RCT that we work closely with, but the development of courses is increasing all the time and we want it to go even further. The worry is that the schools that try to do post-16 vocational education through the medium of Welsh are well-placed to do that. I think that we are better at doing that.

[75] **Keith Davies:** Rwy'n cytuno'n **Keith Davies:** I agree entirely. Thank you. llwyr. Diolch yn fawr.

[76] **Ann Jones:** We will move on then to Bethan's questions on the ONS decision to reclassify colleges.

[77] **Bethan Jenkins:** Diolch. Y cwestiwn sydd gennyf yw pa oblygiadau fyddai ar golegau pe na bai hyn yn digwydd? Rwyf wedi gwrandao ar yr hyn y mae John Graystone wedi'i ddweud, sef na fydd llawer o newid gyda'r Bil hwn, ond yn nhystiolaeth ColegauCymru mae lot fawr o bwyntiau sy'n dweud pe na bai hyn yn digwydd, byddai'r gyllideb yn broblem o ran goblygiadau fformiwla Barnett. Mae hynny, i fi, yn lot o oblygiadau. Rydych chi wedi dweud sawl gwaith na fydd llawer o newid, ond rwyf eisiau deall sut y bydd hyn yn effeithio arnoch fel colegau o ran y sefyllfa ariannol.

**Bethan Jenkins:** Thank you. The question that I have is, what implications would there be for colleges if this were to not happen? I have listened to what John Graystone had to say, which was that this Bill will not cause much change, but the ColegauCymru evidence includes several points about the fact that if this were not to happen, then the budget would be a problem because of the implications of the Barnett Formula. That appears to me to be quite a few implications. You have said many times that not a lot will actually change, but I want to understand how that will affect you, as colleges, in terms of your financial situation.

[78] **Mr M. Jones:** Shall I start on that? I think not a lot will change from an operational, day-to-day perspective—the way that we work with the Welsh Government and the way we work with civil servants. I do not think that anything will change at all. From a financial point of view, it has huge implications, does it not?

[79] **Mr Graystone:** Yes, what happened was that, until 2010, we were not-for-profit institutions serving households. That was our classification. Then suddenly, to our great surprise, the ONS decided that every college within the whole of the UK was now classed as being part of the public sector. That was how it was. When you looked at the implications, it meant that we basically became part of Welsh Government. Our assets transferred to Welsh Government and we would lose our surpluses and assets. It would have a huge impact on what we do. When I say that the Bill will not change anything, I mean that it will not change

anything in terms of how we have been up to now. If the Bill were lost, it would mean that we would immediately lose £29 million in capital funding and a whole range of things. We would lose the incentive to generate income, and it could affect the Government's funding through the Barnett formula. It is very complicated, but because our estate would now be part of Government, it would have a huge range of unintended consequences. It would mean, for example, colleges, at the end of the financial year, desperately spending money to make sure that we get rid of it. Lots of things would change. We would lose a lot of incentives.

[80] **Simon Thomas:** That happens in the public sector.

[81] **Keith Davies:** The estate was part of the public sector until 1992 anyway.

[82] **Mr Graystone:** Yes, so we know the experience. We generate £100 million outside of Welsh Government funding every year. Incentives are important. We are looking to develop international work and our work with employers. The way that we operate and the freedom that we have give us that incentive. I think that that would be lost if we became part of Government. We would not quite be civil servants, but we would be working to different rules. That for us is why it is so vitally important that this Bill goes through.

[83] **Bethan Jenkins:** Iawn, ond rwy'n ei chael hi'n anodd i ddeall sut yr ydych yn gallu dweud na fydd hyn yn effeithio ar y ffordd yr ydych yn gweithredu bob dydd. Bydd gennych chi lai o arian a llai o hyblygrwydd i weithio. Nid wyf yn gweld bod y ffordd yr ydych wedi dechrau'r drafodaeth yn adlewyrchu beth a ddwedoch am yr ONS. Felly, a ydych chi wedi edrych ar beth sy'n digwydd mewn gwledydd eraill, yn yr Alban er enghraifft, lle daeth deddfwriaeth newydd ym mis Mai? Nid yw aildosbarthiad wedi'i gynnwys yn rhan o hynny, ac, er eu bod wedi dweud wrth San Steffan nad oeddent yn ei gefnogi, nid ydynt wedi mynd ati i'w newid fel y mae Llywodraeth Cymru wedi gwneud. Beth yw eich barn chi ar hynny?

Okay, but I find it difficult to understand how you are able to say that, if this happens, it will not affect how you act on a day-to-day basis. You will have less money and less flexibility in the way that you work. I do not see that the way that you have started this discussion actually reflects what you have said about the ONS. Therefore, have you looked at what is happening in other countries, such as Scotland, where new legislation came forward in May? The redistribution was not included, and, even though they told Westminster that it did not have their support, they did not set about changing it as the Welsh Government has done. What are your views on that point?

10.15 a.m.

[84] **Mr Graystone:** First, Scotland is very different to Wales. To take the transformation agenda as an example, in Wales, the Government set out the view that there were too many colleges. We, as principals, sat together, even before the Government reached that decision, and decided that things had to change, and we went ahead. Over a five-year period, we have delivered a transformation agenda; we have done mergers. It has been a partnership with the Welsh Government. It has set out the policy, we have got together, and we have worked out what is best for us. Now, in Scotland, it is very different. They are going through a merger situation. It is top-down—I think there are something like 40-odd colleges that are going down to 24 and being formed into regions. It is a case of, 'You, you and you; you, you and you; you, you and you'. It is a different relationship, and while I do not want to be quoted publicly—well, I will have to be, will I not? [*Laughter.*] I have colleagues in Scotland, so I will have to be very careful.

[85] **Aled Roberts:** We will not tell anyone. [*Laughter.*]

[86] **Mr Graystone:** I think that there is a very different relationship between the colleges in Scotland and the Scottish Government from the one in Wales with the Welsh Government. Personally, I would rather work in this environment, where we have a much more trusting relationship. There are some difficulties in Scotland that we do not have here, and that is why I think the Scottish Government has decided to go down that road.

[87] In Northern Ireland, the Government at the moment is considering—it is watching what is happening in Wales, and it is going to go out to consultation on the same issue. All that I would say is that we need to look at what is happening in Wales and what is important for Wales, rather than determining what other countries are doing. As I say, it is a very different environment in Scotland at the moment.

[88] **Mr D. Jones:** Ychwanegaf un pwynt wrth ateb dy gwestiwn, Bethan. Efallai fy mod i wedi camdeall, ond gobeithio nad wyf. O ran dy bwynt am yr hyn yr oeddem ni'n ei ddweud, sef na fydd pethau'n newid cymaint, y pwynt yr ydym yn ei wneud yw, os bydd y argymhellion hyn yn digwydd, nid ydym yn gweld newid mawr o gymharu â'r drefn sy'n bodoli ar y foment. Rwy'n cytuno'n llwyr: os awn ni i lawr trywydd gwahanol—trywydd sydd, mewn ffordd, yn mynd yn ôl i 1992, fel y soniodd Keith, gyda phethau'n rhan o'r Llywodraeth ganolog—yn sicr, fe fyddai newid mawr.

**Mr D. Jones:** I would just add one point in answering your question, Bethan. Maybe I have misunderstood, but I hope that I have not. On your point about what we were saying, namely that things are not changing that much, the point that we are making is that, if these recommendations are implemented, we do not see a great deal of change relative to the present arrangements. I completely agree: if we go down a different route—one that, anyway, would take us back to 1992, as Keith mentioned, with things being part of central Government—then certainly, there would be a major change

[89] **Bethan Jenkins:** Siarad am y *status quo* yr ydych yn awr. Felly, mae'r *status quo*, o ran y modd yr ydych yn gweithredu yn awr, yn iawn.

**Bethan Jenkins:** You are talking about the status quo, really. So, the status quo, with regard to how you operate now, is all right.

[90] **Mr D. Jones:** Nid ydym yn gweld gwahaniaeth mawr o safbwynt y newidiadau sy'n dod allan o'r hyn a argymhellir yma. Rydym yn gwybod bod rhai newidiadau, ond nid ydym ni ar y llawr yn ei weld yn newid mawr o gwbl. Mae lot o bwerau gennym yn barod, ac mae lot o bethau'n digwydd a fydd, rwy'n siŵr, yn digwydd yn y tymor hir beth bynnag.

**Mr D. Jones:** We do not see a great deal of difference from the point of view of the changes emerging from what is being recommended here. We know that there will be some changes, but we on the ground do not see them as any sort of major change. We have a great deal of the powers already, and there are a lot of things happening that I am sure would happen in the long term anyway.

[91] **Ann Jones:** Aled and David want to speak on this point, but we have a couple of other themes that I need to get in, and we have already run out of time. However, if it is okay with you, we will just get to the end of the questions.

[92] **Aled Roberts:** Yr hyn sydd o bwys i ni yw'r fframwaith cyfreithiol, nid y berthynas rhwng y Llywodraeth a'r colegau, un ai yng Nghymru neu yn yr Alban. Os yw'r goblygiadau ariannol mor ddifrifol â'r hyn a ddywedasoch ar y cychwyn, fel y dywedodd y Gweinidog yr wythnos diwethaf hefyd, yr hyn y mae angen arnom ei ddeall yw pam nad yw'r goblygiadau hynny wedi creu

**Aled Roberts:** The important thing for us is the legislative framework, not the relationship between the Government and the colleges, whether in Wales or in Scotland. If the financial implications are as serious as you said they were at the beginning, as the Minister also stated last week, what we need to understand is why those implications have not created a situation whereby the Scottish



sefyllfa lle mae Llywodraeth yr Alban yn credu bod yn rhaid iddi wneud yn union yr un peth ag y mae'r Gweinidog yma yng Nghymru yn ei wneud, oherwydd, os yw'r berthynas ar ochr y colegau neu ar ochr y Llywodraeth yn newid yn y dyfodol, ni fydd cymaint o ddylanwad gan y Gweinidog dros y sector. Dyna'r hyn yr ydym ni'n ei ffeindio'n anodd ei ddeall, sef y gwahaniaeth yn y sefyllfa os yw'r goblygiadau ar draws y Deyrnas Gyfunol yr un fath yn union.

Government believes that it needs to do exactly the same thing as the Minister here in Wales is doing, because, if the relationship on the side of the colleges or on the side of the Government should change in the future, the Minister will not have the same level of influence over the sector. That is what we are finding difficult to understand, namely the difference in the position if implications across the UK are exactly the same.

[93] **Bethan Jenkins:** Sori, ond hoffwn ychwanegu rhywbeth. Yn ôl yr hyn rwy'n ei ddeall, mae'n rhaid i hyn ddigwydd yn ôl deddfwriaeth Ewrop. Felly, ai dyna'r hyn yr ydych chi'n ei ddeall, sef nad dewis i'r Alban ydyw ychwaith, ond rhywbeth sy'n gorfod digwydd?

**Bethan Jenkins:** Sorry, but I would like to add something. According to my understanding, this has to happen in line with European legislation. So, is that what you understand, that it is not an option for Scotland either, but something that has to happen?

[94] **Mr Graystone:** No. Basically, if the Welsh Government decided not to pass this Bill, we would then become part of Government. That is what would happen, and a lot of things would then follow. In Scotland, they have taken a different route, and that is fine; it is a devolved administration and they take a different approach. However, that is what is happening. If we do nothing, because of the ONS decision, we would then become part of Welsh Government and a lot of things would follow. If the Bill goes through, not much will change—there will be some modest changes—but, basically, we will carry on as we had been doing for the last 20 years, we hope, delivering for Wales, working closely with the Welsh Government, working closely with Assembly Members, and working closely with Welsh Government officials. It is a devolved matter. Each administration makes its own decision about where it goes in relation to the ONS decision.

[95] **David Rees:** Very briefly, John Graystone actually mentioned to us that you would lose the incentive to generate income. Why would you lose the incentive to generate income, and why are you generating income now, because it is a not-for-profit organisation? It goes back into education. So, why would you lose that incentive?

[96] **Mr M. Jones:** I am going to embarrass my colleague. I go up to Deeside and I find that there is a good level of surplus. It is not huge, but it is a good level of surplus. I see that money being reinvested back into the college. If you go to the Deeside campus, you will see a new building for motor vehicles and a new building for this and that. There is a brand-new building every single year, which has technical expertise inside. It is aspirational.

[97] **Keith Davies:** That is just Airbus.

[98] **Mr M. Jones:** No, it is more than that. It is far more than Airbus; it is across the board. There is reinvestment, and the students are coming and getting a good experience and they move on. Therefore, we have to have that flexibility to plan. That is the big issue coming through. If we do not know what will happen in one year's time we will not be able to plan. Some of this investment takes two or three years to put in place. That is what we are asking for. We are asking for your trust, I suppose, that we will continue to deliver, as we have done, but just to give us that flexibility to plan and retain the surpluses, so that we can put them together to invest, the following year, back into the education, the skills and the environment. If you take that away from us, it will be far more difficult. We will be responsive on a one-year basis, and we will not be able to do the things that we think that we can do and that you

need us to do.

[99] **Mr D. Jones:** We are really ambitious for our region and for Wales and for the role of further education. We are proud of what we have achieved since 1992. Some of the colleges have quite good surpluses at the moment, but no-one is sitting on them to give to shareholders, and no-one is sitting on them because they just want to have them. We employ lots of people and we have large monthly wage bills. We have to make sure that we can pay people. That is really important. However, in most cases, we are saving up because we have a plan. It is usually based on some estate developments or equipment and so on linked to business and the like. We know that if we wait and depend on central Government giving us 100% capital grants for development in this day and age—and we all heard the announcements yesterday—it is never going to happen. We found, in recent years, that you need at least 50% of the capital to put in as your contribution, along with a good case. That is why we do it. I think that John's point about them losing the incentive would be that, if at the end of the year—and it goes back to the old local authority days—you make a loss and someone else picks up the loss for you and underwrites it, or even if you make a surplus and someone else takes it away and you might get a bit of it, it does not really incentivise you to move forward. Why put that 150% effort in?

[100] **David Rees:** It is not a matter of losing incentive, but a matter of finding alternative mechanisms and ways to get around things, I would have thought. The incentive is actually to increase income, and it is about being clever about things, in one sense. I am concerned about the concept of losing incentive in terms of general income, because income comes back to the college, the learner and to the development of education. That is what I am trying to focus on.

[101] **Mr Graystone:** That is precisely it. Colleges are there to serve their learners, employers and local communities. We are not-for-profit institutions. Any money that is saved up or whatever goes back ultimately to benefit the learners. That is why we built up—. As I say, if you look at David's institution, you will see that investment has been put in; there has been a huge effort. It is a partnership between us and the Welsh Government. As David said, in terms of 100% funding from the Welsh Government—it cannot be given, but we match that funding and build up to do things.

[102] **Ann Jones:** I will let David come back in, only because he is from north Wales. Go on, quickly.

[103] **Mr D. Jones:** Our institution is successful because of our colleagues. We are people organisations. We, as college principals, give briefings to our staff and tell them about the financial position of the college—I certainly do that. I tell them upfront that, every year, we have a target of having at least 3% of our income as a surplus. When I first started doing that, they would say, 'Why are we doing that, then?', and I would say that we needed it for the reason that I have just outlined. You show the staff that you are investing in them and the learners, and then they start seeing the buildings and they start to work in them. The line is this: excellent facilities, resources and performance for learners. Then they understand. That means running a very tight ship. If you run a tight ship, you cannot go back to your staff and say, 'Actually, we have a really tight ship. It is a pretty tough place in which to work, and we are not really sure whether the fruits of our labours will mean us benefiting, because money might go back into central Government and so we might not get it'. It is a big de-motivator for our colleagues. As I say, it is the staff who make the difference.

[104] **Ann Jones:** We will now move on to the implications of the Bill for learners, local communities and further education staff. I am sure that we will come back to this issue again. Lynne, are you taking the first set of questions?

[105] **Lynne Neagle:** Yes. How will the removal of the duty to consult with learners and

employers change your relationship with employers?

[106] **Mr Graystone:** It would make absolutely no difference. I do not think that any college has consulted employers because it has been told to do so by the Welsh Government; we just do it as part of our core business. You cannot run colleges if you do not consult with your learners and employers, if you do not have employers on boards, if advisory committees are not set up, and if meetings are not held for employers. It is core business for us. I think that most of us did not realise that we were required to do so; we just do it. It runs in the blood.

[107] **Lynne Neagle:** Schedule 1 to the Bill specifies that a college's instrument of governance must include staff and students as members of the governing body. Would you support an amendment to the Bill specifying elected staff and elected students?

[108] **Mr Graystone:** Over 20 years, we have become used to having elected staff and elected students and we agree with that entirely. We are not sure about whether the Office for National Statistics would see the word 'elected' as affecting the relationship between the Government and colleges. We will give a commitment that staff and students will be elected, but you would need to get advice from the ONS to see whether that relationship would be affected. That is the way that we work and we do not think that hand-picking staff or students is the way forward; we are very comfortable with the re-election procedure. Some of us would have a president of the students' union automatically becoming a governor, which we think is another appropriate way. I should also say that yesterday at the conference to which we referred, we had a speaker from the National Union of Students. We are working closely with it and we are looking at training student governors and so on. Therefore, my answer is that we would want elected governors, but we would need to get advice as to whether it ought to be specified in the Bill, because we would not want that to jeopardise an ONS decision.

[109] **Lynne Neagle:** However, you do not have a problem with the principle of that.

[110] **Mr Graystone:** No.

[111] **Mr M. Jones:** With the Humphreys review, as we roll out the membership body, we are going to be having more staff and students, although they are going to be dispersed over a range of committees. So, there will be more involvement in that.

[112] **Bethan Jenkins:** I want to raise the fact that despite this Bill, there are problems in FE with regard to staff levels. I take it in good faith that you respect staff and work with them, as you say, but I have met with lots of staff in my area who are on zero-hour contracts and who have to work in Domino's pizza, for example, over the summer—they cannot afford to live because they are not told what they are going to have to do when they come back in September. They have to work in council-run parks in the local authority because they have no clear status. There is a concern from the Minister with regard to the memorandum about the potential risk of colleges removing themselves from the nationally agreed pay scales. That is identified as a risk; that is a true concern. Colleges are already operating in a way whereby some staff are not given equal respect to other staff who are on long-term contracts. How can you assure us, as Assembly Members, that the Bill will mean that you will move to look seriously at this situation? Quite frankly, a lot of staff are not convinced that this will help the situation.

[113] **Mr M. Jones:** It is difficult. We cannot guarantee that we are going to please everyone. In my college, for example, I have some staff—not just lecturers—who are on zero-hour contracts. We do staff surveys every year, and a couple of years ago, the staff who were part of the survey said that we were one of the best 75 places to work in the public sector in the UK. However, we still have staff on zero-hour contracts. It is difficult in my situation in

Bridgend, which is surrounded by sixth forms, because we are never sure what numbers are coming in until September. In fact, probably a third of the students who apply to us do not turn up in September. They will go back to school and in week 3 or 4 of September, about a third of the students come in who we thought were going back to school. There is huge variability in different areas. That is Bridgend and yet I think that the staff there—not 100%, of course; we could never guarantee that—would generally say that it is a good environment in which to work.

[114] **Bethan Jenkins:** Sorry, I have to come back on that.

[115] **Ann Jones:** Yes, but please be brief. We need to move on.

[116] **Bethan Jenkins:** You say that you do not know what is going to happen in September, but I have spoken to heads of departments who are on these contracts. They do not know whether they are needed or not. That is knowledge that I have obtained from them; it is not something that I have made up. I can understand what you are saying about not knowing some numbers, but they have been put in a very difficult situation already. So, in terms of this particular Bill, I have not yet heard how you can be reassured that the national pay scales would not be jeopardised. I appreciate that it is difficult for you, but it is even more difficult for people to live in these situations.

10.30 a.m.

[117] **Mr Graystone:** Could I come in on that? Zero-hour contracts have been discussed in relation to the common contract; those negotiations are ongoing, so we are aware of the situation. I will try to give you some reassurance. We knew back in September that the Bill was coming out. We could have stopped the negotiations—because we could have thought that we did not need to negotiate any longer—but we have kept going. We have negotiated for three years and we think that we are pretty close to an agreement. Once we reach an agreement, we will pledge to honour it. We have worked incredibly hard and we have had rigorous discussions with the trade unions, as you can imagine, but they have been fair, open and honest discussions. All I can say is that I do not want to spend three years of my life negotiating a common contract only to say, ‘We’ll not bother now; it’s not important’. We have worked really hard and it has been tough. It has not been easy. We came to an agreement on pay parity about six, seven or eight years ago, and we have honoured it every year. No principal has ever said to me, ‘Great, here is the Bill; we are now going to stop doing this’. We work in Wales, and there is a different environment here compared with other countries. We work much more closely with the Welsh Government than equivalent bodies in other countries do with their Government. We know what your views and what the views of the Welsh Government are. We work closely in relation to that. Things will not change that much; we have been doing this voluntarily. We started the negotiations before the last election, so you can see that we have been committed to this from an early stage. We actually do believe in this.

[118] **Bethan Jenkins:** Okay, thanks.

[119] **Ann Jones:** Lynne, are you finished with your question? I see that you are. Rebecca, do you want to move on?

[120] **Rebecca Evans:** You referred to the work that you have been doing voluntarily on pay and conditions, but we have received evidence from the trade unions that suggests that the Bill should include a requirement on FE governing bodies to maintain nationally agreed pay spines and the nationally negotiated common contract when that is agreed. What is your response to that?

[121] **Mr Graystone:** The risk in relation to that is that it could affect the ONS judgment; that is the issue. If that is written in, the ONS may say, ‘You are too close to Government; you are not truly independent’, and then certain things would follow that. What we are saying publicly is that we are committed to delivering what we have already delivered. We are committed to pay parity. This is set out very clearly by the Welsh Minister. We have spent three years negotiating a common contract. It has been tough. We are not there yet, but we are almost there. We will continue to negotiate; the Bill will not make a difference to that. The worry about writing it in is that it could affect the judgment of the ONS, and that would be our concern.

[122] **Rebecca Evans:** You say that you are nearly there with the common contract. Do you have a time frame?

[123] **Simon Thomas:** Which version are you on now? *[Laughter.]*

[124] **Mr Graystone:** We are on version 26 at the moment. *[Laughter.]*

[125] **Rebecca Evans:** Do you think that it will be in place before this Bill receives Royal Assent, should it proceed that far?

[126] **Mr Graystone:** We have a meeting with the unions in two weeks’ time. If you have any influence on the unions to agree to our generous offer, then please—

[127] **David Rees:** *[Inaudible.] [Laughter.]*

[128] **Mr Graystone:** Yes. It is tough to say. We would like it to be resolved tomorrow, but there has to be agreement on both sides. Both sides have to sell it, so it is not easy. It is quite tough to try to negotiate on behalf of the whole sector. Again, I say publicly that I would hope that we could come to a resolution, but I cannot be certain on that. We do have a lot of things to do.

[129] **Rebecca Evans:** Finally, would you see any implications for staff pensions as a result of the Bill?

[130] **Mr Graystone:** No.

[131] **Ann Jones:** Right, I have Aled, Simon and David. We are desperately out of time, but I am going to allow you to come in because our witnesses, along with the trade unions, are probably the people who have the most to say on this. So, I will call on Aled, Simon and David to come in very briefly. I also ask for very brief answers, please.

[132] **Aled Roberts:** Mine is not on staff, but on another point within this theme. So, perhaps Simon or David would like to ask their questions first, on staff issues.

[133] **Ann Jones:** Simon, do you have a question on staff?

[134] **Simon Thomas:** Yes. Once you have agreed voluntarily these national common agreements, what would your response be if the Welsh Government then said, ‘To ensure that this is followed through, we will make it a condition of funding that everyone must stick to the common agreement’?

[135] **Mr Graystone:** I will respond in the same way as I responded earlier. The risk with that is this: would the ONS interpret that as a sort of intervening in the internal affairs of the college?

[136] **Simon Thomas:** So, do you still see that as a risk?

[137] **Mr Graystone:** Yes. Going back to Ann's very first question, which was about the role of ColegauCymru, we are negotiating on behalf of all the colleges. It is up to every governing body to decide, but we would recommend collectively to the sector. The risk is that, if it is written in to a condition of funding, it could be interpreted by the ONS as the Government being too close. That is the risk.

[138] **Ann Jones:** Is your question on this area, David?

[139] **David Rees:** Yes, just a quick one. You have identified those points, and I suppose that my concern is that it is the role of a governing body to finalise the agreement within the institution, and each institution is autonomous. What would ColegauCymru do if one governing body said 'no'? That is the crucial aspect that we are talking about when we talk about autonomy. What is your power going to be, and what will your responsibility be, if a college says, 'No, we do not want that'?

[140] **Mr M. Jones:** We do not have power, but we have influence. We would sit down and work with that team, but we could not guarantee it. However, we would be working closely with the chair of governors, the governors, and with the principal, and we would have those discussions to try to influence them.

[141] **Ann Jones:** Aled has a separate point.

[142] **Aled Roberts:** Very briefly, currently there is a national move, which has been around for a few years, regarding 14-19 collaboration. Quite a few courses—from my own personal experience—have been agreed and are provided collaboratively, but they are probably not economically very viable from the FE sector point of view. However, it is done on the basis of local networking agreements. Is there any danger that, through the creation of autonomous colleges, a more robust view is taken on those non-viable courses, and that there could be a move to ensure that the course is just provided within one institution, which, in some areas, may be a very large college compared with rather small sixth forms?

[143] **Mr M. Jones:** It is a difficult one for me. You would have to look at that on an individual basis. We run lots of loss leaders, small courses, not just with schools but also with industry. We are always looking at why we would do it, what the rationale is, how we can engage with students that we may not otherwise be able to engage with, and what the progression opportunities are. It is a very difficult question to answer generically. As individual colleges, we all do a lot of that work, because it is about reaching and engaging, bringing them back in, and progressing them on. We will continue to do that as much as we possibly can.

[144] **Ann Jones:** To finish, we have a couple of questions on the provisions relevant to the higher education sector. There are questions from Angela and then Simon.

[145] **Angela Burns:** Good morning. I know that this does not affect an awful lot of your application of this Bill—in fact, I think that you were silent on that in terms of your consultation—but I would like to talk about the removal of the provision, or the power to restrict, by regulation, the provision of higher education in further education institutions. I have three very direct questions. Would you like to see a greater use by further education institutions of higher-education-style courses? This is particularly if you were to look at what England is doing in terms of higher learning apprentices and so on.

[146] **Mr M. Jones:** The quick answer is, 'Yes, we would'. Many of us work really closely with universities. Bridgend has 1,200 students this year on different higher education courses

validated by different universities. However, in terms of working in partnership with universities, we think that we are well-placed to do a lot of that work. So, yes; I think that we would look for the opportunity, up to and including higher apprenticeships, without a doubt. We had a seminar yesterday on that, looking at the options going forward. I think that that is something that we could deliver really well.

[147] **Angela Burns:** Do you see further growth going the other way, by the way, down into the 15 and 16 year old bracket, into traditional school territory, in terms of expansion of your curricular offering?

[148] **Mr M. Jones:** Personally, I do. I still feel that some courses delivered in schools should not be delivered in schools. They should be delivered—particularly vocational provision—in places where they have the facilities. Although that is a difficult issue, there are plenty of opportunities for us there as well.

[149] **Angela Burns:** My understanding is that, at present, you are funded by the higher education institution, which says ‘Please deliver this course—here’s the funding to go with it’. Would you prefer to be funded directly for certain courses, or for all courses, from an organisation such as HEFCW?

[150] **Mr M. Jones:** Two colleges have significant direct funding of about £1 million, namely Coleg Sir Gâr and Grŵp Llandrillo Menai, and about four colleges have small amounts. The vast majority is franchise funding. It works really well. The difficulty is the planning, again. What can happen is that, all of a sudden, you have franchise funding for a course, and if the university decides that it does not want to run that course going forward, it can pull back that funding. There was a big issue about that a couple of years ago in the south-west, but it has affected a number of colleges. It would be great to have the security, because it allows you to plan going forward. However, it needs university validation at the end. I am really proud of my college, but a Bridgend College foundation degree does not do it. A university degree delivered at Bridgend College really does. So, you need the university link, but it would be nice to have the security so that we could plan. So, the answer to the question is ‘yes’, we would like that.

[151] **Angela Burns:** Do you not think that that would be setting the sector up for conflict? Although you want the university validation, to be truthful, you could get the validation from any number of universities—it does not have to be the one on your doorstep.

[152] **Mr M. Jones:** We are not running a BSc in medical studies, because we do not have the expertise or the facilities, but we could be running a foundation degree in engineering, feeding into the energy sector in south-west Wales; we could do that really well.

[153] **David Rees:** On that point about validation bodies, it depends who the validating body is. There are moves to look at validating FE foundation degrees outside of universities, so there is a clear indication there as to where you come in with regard to delivering HE. There is also clear input to quality provision that research-informed elements must definitely be at level 6, preferably at level 5 and not so much level 4. With regard to contracts, how will you deliver that type of provision, ensuring that staff have the expertise and the research-informed knowledge on your contracts? Are you looking at negotiating different types of contracts to allow you to do that work?

[154] **Mr M. Jones:** That has been one of the biggest issues in the discussions on the common contract. We all recognise that, and we are looking to provide the facilities so that we can do exactly what you say.

[155] **Ann Jones:** Simon, do you have any points on this?

[156] **Simon Thomas:** Rydych wedi dyfynnu yn gyffredinol 20 mlynedd o weithgarwch yn y sector y bore yma. I bob pwrpas, rydych wedi bod yn dweud wrthym 'Rydym wedi bod yn gweithio gyda Llywodraeth Cymru a'r sefydliadau cyn hynny ac, ar y cyd, rydym wedi llwyddo a darparu, ac mae'r Bil hwn yn mynd i'n galluogi i gario ymlaen â'r gwaith hwnnw'. Fodd bynnag, yng nghyd-destun addysg uwch, mae uno rhyfeddol yn digwydd yn y sector hwnnw. Mae un coleg y mae prifysgol yn berchen arno, ac mae colegau eraill fel Coleg Ceredigion a Choleg Sir Gâr yn trafod hynny. Rydym yn aros i glywed beth sy'n digwydd ym Mhrifysgol Glyndŵr, lle mae'r sector addysg bellach yn rhan o'r trafodaethau sy'n digwydd yn y fan honno. Fel ColegauCymru, a ydych yn gallu dal gafael ar y ffordd y buoch yn cydweithio, wrth i'r sector newid yn sylweddol unwaith eto ac wrth i'r prifysgolion ddod i mewn, ynteu a ydych yn gweld y bydd y sector yn chwalu a darnio mewn ffordd na welsom hyd yma?

[157] **Mr D. Jones:** Nid wyf yn cyd-fynd â'r ddau uniad rhwng prifysgolion a cholegau addysg bellach sydd ar fin digwydd. O safbwynt beth yw *mission* addysg bellach, rwy'n pryderu efallai y bydd rhywbeth yn mynd ar goll. Mae'n gweithio'r ffordd arall hefyd gyda phrifysgolion ac addysg bellach. Rydych yn iawn i godi'r pwynt. Bydd yn rhaid inni edrych yn ofalus iawn o ran y ffordd rydym yn mynd ymlaen. Mae'n adeg cyffrous iawn oherwydd y newidiadau hyn. Hyd at rhyw dair neu bedair blynedd yn ôl, Coleg Sir Gâr oedd yr ail neu drydydd coleg mwyaf yng Nghymru, ond mae'n bellach yn rhan o goleg addysg bellach gweddol fach. Felly, mae'n newid y deinamig, ac rydym yn edrych ar y peth o fewn strwythur ColegauCymru hefyd.

10.45 a.m.

[158] **Simon Thomas:** Sut y bydd ColegauCymru yn dal gafael ar genhadaeth addysg bellach yn y cyd-destun hwn? Dyna'r hyn rwy'n ei ofyn. Mae'r Bil yn newid rhyw ychydig ar *directions* ac ati, ond mae pethau mawr yn digwydd yma. A yw'r Bil yn eich helpu chi i baratoi ar gyfer y newidiadau

**Simon Thomas:** You have quoted 20 years of general activity in the sector this morning. To all intents and purposes, you have been saying to us 'We have been working with the Welsh Government and the institutions before then and, together, we have succeeded and delivered, and this Bill will enable us to continue with that work'. However, in the context of higher education, there are a great many mergers in that sector. One college has been taken over by a university, and other colleges such as Coleg Ceredigion and Coleg Sir Gâr are discussing that. We are waiting to see what will happen in Glyndŵr University, where the further education sector is part of the discussions taking place. As ColegauCymru, are you maintaining an overview of how you have worked jointly as the sector changes substantially once again and the universities come in, or do you foresee that the sector will disband and fragment in a way that we have not seen before?

**Mr D. Jones:** I do not agree with the two mergers that are about to take place between universities and further education colleges. In terms of the further education mission, I am concerned that something may get lost. It also works the other way with universities and further education. You are right to raise the issue. We will have to look very carefully at the way in which we go forward. It is a very exciting time because of these changes. Up to three or four years ago, Coleg Sir Gâr was the second or third largest college in Wales, but it is now part of a fairly small further education college. So, it changes the dynamic, and we are looking at that within the structure of ColegauCymru.

**Simon Thomas:** How will ColegauCymru get a grip on the mission of further education in this context? That is what I am asking. The Bill will change the directions slightly and so on, but substantial things are happening in this area. Does the Bill help you to prepare for these major changes?



mawr hyn?

[159] **Mr D. Jones:** Rwy'n credu ei fod. I fynd yn ôl at gwestiwn Angela ynglŷn â'r ochr addysg uwch, credaf fod rôl i golegau addysg bellach i ddarparu rhywfaint o addysg uwch—yn wir, maent yn gwneud hynny yn barod. Felly, dyma'r amser, efallai, i edrych ar hynny. Erbyn mis Awst, neu erbyn Nadolig, bydd gennym strwythur hollol wahanol o golegau yng Nghymru. Mae llawer o newid wedi bod dros y blynyddoedd, ac rwyf wedi teimlo'r newid hwnnw yn fawr iawn. Mae'n rhaid i'r Llywodraeth gadw ei afael ar hynny. Fodd bynnag, mae hefyd angen rhoi rwy bum mlynedd i ni yn awr i ymsefydlu a darparu o fewn y strwythur sy'n bodoli.

**Mr D. Jones:** I think it does. To return to Angela's question on the higher education side, I believe that there is a role for further education colleges to provide some elements of higher education—in fact, they already do so. Therefore, now is the time, perhaps, to look at that. By August, or by Christmas, we will have a completely different structure in place for colleges in Wales. A lot has changed over the years, and I have felt that change quite substantially. The Government must keep its hold on that. However, it also now needs to give us five years to establish where we are and provide within the existing structure.

[160] Rhan bwysig o hynny yw cydweithio gydag addysg uwch. Fel rydym yn gwybod, oherwydd y dirwasgiad a'r sialens economaidd sydd gennym, mae ein rôl ni yn bwysig. Felly, mae cyfrifoldeb mawr ar y colegau mawr. Os ydym yn cael popeth yn iawn, bydd pethau'n gweithio yn dda iawn, ond, os nad yw pethau'n mynd yn iawn, bydd problemau mwy. Fodd bynnag, rwy'n hyderus iawn y bydd pethau'n digwydd yn dda iawn, oherwydd—ac rwy'n mynd yn ôl at y pwynt hwn—credaf fod y model llywodraethu sydd gennym yn fodel cryf iawn. Gwelaf y llywodraethu hynny'n datblygu a, drwy ddechrau defnyddio rhai o argymhellion Humphreys, bydd hynny'n gryfach fyth.

The important part of that is collaboration with higher education. As we know, due to the recession and the economic challenge that we face, our role is important. Therefore, this places great responsibility on the larger colleges. If we get everything right, things will work very well, but, if things do not go well, there will be greater problems. However, I am very confident that things will go very well, because—and I go back to this point—I believe that the model of governance that we have is a very strong model. I see that governance developing and, by starting to implement some of the Humphreys recommendations, it will become even stronger.

[161] **Mr Graystone:** I would just like to add—and, once again, Ann, this goes back to your original question about the role of ColegauCymru—that we have been through a period over the last five years of transformation. Our membership base has now changed radically. We will have 10 FE colleges by the end of this calendar year, three colleges that are part of universities, and two small FE institutions. Seven of those 10 colleges will have budgets of over £40 million or £45 million. We will also, hopefully, have freedoms in the Bill. As a sector, we will now be debating the role of ColegauCymru in the light of these changes and assessing how we provide an effective service to our members, but also how we work closely with the Welsh Government and develop that 'critical friend' relationship. We are debating as a sector how we move forward. So, we are now moving into a new era. It is a very exciting era, but it is very important that we stay close to the Welsh Government and Welsh Government policies. We can give you our assurance that we will continue to do that.

[162] **Ann Jones:** Finally, I think that we have got to the end of the session, although we are half an hour late. I thank you all very much for coming in to give evidence. Members have been very interested in your answers to their questions, which have been very helpful. You will get a copy of the transcript to check for accuracy. We promise, John, that we will not tell a soul what you said earlier, but you cannot strike it out of the transcript, I am afraid; you can

only check the transcript for accuracy. I thank you all for coming.

[163] I propose, even though we are running late, to break until 10.55 a.m. if that is okay. Thank you.

*Gohiriwyd y cyfarfod rhwng 10.48 a.m. a 10.57 a.m.  
The meeting adjourned between 10.48 a.m. and 10.57 a.m.*

**Bil Addysg Bellach ac Uwch (Llywodraethu a Gwybodaeth) (Cymru): Cyfnod  
1—Sesiwn Dystiolaeth 3  
Further and Higher Education (Governance and Information) (Wales) Bill:  
Stage 1—Evidence Session 3**

[164] **Ann Jones:** We now return to our agenda. If Members have switched on their phones during that very short break, please make sure you have switched them off again. I welcome David Wallace, deputy chief executive officer and director of strategic development at the Student Loans Company. I apologise that we are running so late, Mr Wallace, and I thank you for waiting for us patiently. The last session ran over, as Members' questions and the answers given to them were just flowing. There is one section of this Bill that relates to the higher education sector and, therefore, to student loans. Do you have any opening comments that you would wish to make, or are you happy to go straight into questions?

[165] **Mr Wallace:** You have made the introductions, so I would just like to thank you for inviting me to give evidence today.

[166] **Ann Jones:** Okay, thank you very much. We will go straight into questions, then. We will have Simon first, followed by Angela, and then other Members will come in afterwards.

[167] **Simon Thomas:** I will be asking my questions in Welsh.

[168] Yn gyntaf oll, rydym wedi cael tystiolaeth ar y rhan honno o'r Bil sy'n ymwneud â rhannu gwybodaeth rhwng Gweinidogion Cymru a Chyllid a Thollau Ei Mawrhydi. Mae hyn i gyd wedi ei gyflwyno i ni fel rhywbeth o natur technegol i dacluso anghysonderau o fewn y system bresennol. Fel rhywun sy'n gweinyddu benthyciadau i fyfyrwyr, a ydych yn cytuno â'r farn rydym wedi ei dderbyn?

First of all, we have had evidence on that part of the Bill that relates to sharing information between Welsh Ministers and HMRC. This has all been presented to us as something of a technical nature to tidy up inconsistencies within the current system. As someone who administers student loans, do you agree with the view we have received?

[169] **Mr Wallace:** Yes, I think it is a fundamental part of the plans to modernise the Welsh student finance service. As you mentioned, there is a functionality that we have through data-sharing between the Student Loans Company and HMRC that brings some huge benefits in terms of fraud reduction and cost reduction. So, there are efficiencies for the Government, the student finance service and the customers—both the student applicants and the sponsors. This is in respect of those who go through a means-tested application assessment process, so it is a very effective way for us to streamline the data information flows and to assess the means-tested element of the package.

[170] **Simon Thomas:** A yw'r system bresennol yn golygu bod yn rhaid ichi drin myfyrwyr o Gymru mewn ffordd wahanol i fyfyrwyr o weddill Prydain?

**Simon Thomas:** Does the current system mean that you have to treat students from Wales differently from students from the rest of Britain?

11.00 a.m.

[171] **Mr Wallace:** At the moment, in terms of the service provided by the Student Loans Company for the UK, we provide quite different services for different parts of the four administrations. So, for England, we provide all of the application assessment, payment and repayment. For Northern Ireland, we do not get involved in the application assessment stage—that is done by the education and library boards—and, in Wales, that is currently carried out by the Welsh local authorities. It is that work that we are co-ordinating together. So, there is work that is currently done in the form of a manual exercise that involves evidence-checking and the submission of paper-based forms between sponsors and organisations, and we will be automating that as part of this new, modernised service.

[172] **Simon Thomas:** Felly, a fydddech yn disgwyl gweld arbedion ariannol yn y pen draw o wella'r gwasanaeth fel hyn? **Simon Thomas:** Therefore, would you expect to see financial savings eventually as a result of improving the system in this way?

[173] **Mr Wallace:** I would say that we would see financial savings almost instantly, rather than eventually. It has proved very effective. The particular functionality here is called—I apologise if this gets a little bit technical—the VHI, which stands for verification of household income. We first launched this in the 2011-12 academic year for England, and the savings were substantial. The National Audit Office carried out an undertaking inquiry into the costs of meanstesting of various products across the English services and found it to be highly cost-effective, and that is because of this electronic link. If the committee is interested, I can explain how the link works and, therefore, why it is so cost-effective. If that is of interest, I am happy to do that.

[174] **Simon Thomas:** Gofynnaf y cwestiwn nesaf, ac efallai y daw'r eglurhad yn sgîl y cwestiwn. Mae fy nghwestiwn olaf yn ymwneud â sut mae hyn yn gweithio, yn gyntaf, o ran diogelu gwybodaeth bersonol, ac, yn ail, os yw rhieni neu bwy bynnag yn gwrthod neu'n anhapus i rannu'r wybodaeth, hynny yw, maent wedi cwmpo mas gyda'u plant, neu eu plant gyda nhw, ac ati. Efallai bydd yr esboniad o sut mae'r system yn gweithio yn helpu esbonio sut mae'n gweithio yn y cyd-destun hwnnw hefyd. **Simon Thomas:** I will ask the next question, and perhaps the explanation will come in light of that question. My final question relates to how this actually works, first, in terms of the protection of personal information, and, secondly, if parents or whoever refuse to share or are not happy to share the information, that is, they have fallen out with their children, or their children with them, and so on. Perhaps explaining how the system works will help explain how it works in that context as well.

[175] **Mr Wallace:** Okay, I will have a go. The way in which the application for a means-test assessment would work is that the student or applicant would apply for the student finance package. If they so wished, they would also declare that they wished to apply for means-tested support, and that would require, as a precondition, that their sponsor—typically the parent, but not always—would supply information, and that information is normally to do with their financial affairs. Without this functionality—and it is this functionality that requires the legislation to enable data sharing—what happened in the past was that the sponsor would have to provide the Student Loans Company with original copies of documentation such as tax certificates, income benefit statements, et cetera. So, there was an awfully messy, large, manual and paper-wasting exercise. That is their decision point as to whether they wish to apply for, and support, a means-tested application. We do have circumstances where, in fact, an individual is not supported by their parents agreeing to give that information, and then the person can apply to be assessed under a non-supported status, but it does take them down a different route.

[176] In terms of the way in which the process works, there are standard consent-to-share conditions built into the student application loan and grant process. So, once we have got that—and it is very rarely that we have anybody declining to provide this information—what we then get is a declaration online of the parental or sponsor income. What we then do is, effectively—I will colloquialise it—to file that information through a secure link direct to HMRC. It is run on an overnight batch and the next day we get back a response that tells us whether or not the information that is being declared in terms of income matches the information that is held on the HMRC systems. So, it is done in near real time—it is overnight batch processing—and through secure, encrypted data feeds. In terms of the process for English students and sponsors, since we put this into place, we have been continuously getting just over 76% correct matching. So, it saves a huge amount in terms of costs, delay and customer frustration about sending information—and quite often it can be the wrong information that is sent, accidentally. If what comes back does not match, then the application is pended and we then have to go into some discussions with either HMRC colleagues or with individuals about why there is a discrepancy. There are some tolerances, but they are very minimal, that are set to pick that up.

[177] **Angela Burns:** You talked about the financial savings that you believe will accrue quite quickly on this. However, do you have the capacity to handle the extra work that is currently being handled by the local authorities? Do you think that HMRC will be able to handle this if it goes over straightaway?

[178] **Mr Wallace:** In terms of the extra work, that takes us into the wider question of the wider Welsh modernisation programme, for which I am the senior responsible officer. As you may be aware, we are consolidating our own current telephony-based operations from Colwyn Bay into a larger site in Llandudno Junction. We will be creating quite a large centre, fully staffed with Welsh employees. The beauty of the VHI link that this particular part of the Bill enables is that is all about straight-through processing and automation. So, it reduces the amount of manual input and manual effort required, and therefore we are more than comfortable that we understand the volumetrics around the process to ensure that we will have the staff for it in the centre at Llandudno Junction. We are also absolutely confident that HMRC can handle it. It is part of the wider programme and it has signed this off within its side of the programme to say that it is more than happy to accommodate this.

[179] **Angela Burns:** Once this whole gateway has been established and is up and running, will there be any other input from other organisations, such as the local authorities—which currently deal with it—and the Government, or is it just between you and HMRC?

[180] **Mr Wallace:** It is predominantly between us and HMRC. The transfer of work from the local authorities to the Student Loans Company in Wales will take place over one or two years. In the first year of the process, we will process all new applications. That will be from the early spring of 2014. As returning students come on board, they will wash through, because by year 2, we will be doing year 2 of the ones that we did the first year. So, over a two to three-year period, we will have on-boarded all of the existing students. By that time, the role of the local authorities will pretty much be minimal; it would only be in terms of any residual, old queries that go back to data and information that they held. I would not expect that to be substantial. A very large number of local authorities—170—transferred when the Student Loans Company centralised its services in England in 2009-10. I am sure that everyone is aware that there were some hiccups at that time. I know that, at that time, colleagues from the Welsh Government were watching the experience very carefully to make sure that the Student Loans Company had learned from its early mistakes. It has now had three years and three cycles that have gone very well, hence the confidence that this will work well. We are not creating a process; this is purely a technical and legal formality. The process is already established and the links are all in place, so the functionality is all there. We are not building any new functionality and we are not doing anything different. We are just piggy-

backing on something that has proved very effective for us in other parts.

[181] **Angela Burns:** I believe you, but—there is always a ‘but’, isn’t there?—in my previous life, I did large IT projects and I know that they are never risk-free. So, I would assume, and I would like you to confirm, that there has been a formal risk assessment undertaken around what would happen if the system is not live or is not functioning properly on time, because we do not want to see a repeat of 2009.

[182] **Mr Wallace:** There is indeed. We risk-assess all parts of this programme. This is only one element of it, but I can assure the committee that we have full risk assessments of these and that we have backup and contingency plans, which would be to revert back to the current process. The current process is largely a manual process that involves the submission of documents. What we are trying to do here is to improve the service, rather than leave it as it is, but the current, existing service is always there as a backup.

[183] **Angela Burns:** So, you are relaxed about the timescales.

[184] **Mr Wallace:** We are never relaxed; that would suggest complacency. We are never relaxed on anything. However, we are monitoring and we are managing it very tightly.

[185] **Ann Jones:** Aled is next, then Bethan, and then other Members.

[186] **Aled Roberts:** Rwyf eisiau gofyn cwestiwn yn Gymraeg. Mae'r rhan hon o'r Bil wedi cael ei gyflwyno gan y Llywodraeth fel rhywbeth technegol, a gwnaethoch gadarnhau hynny. Felly, a yw'r trosglwyddo cyfrifoldeb hwn o lywodraeth leol i'ch cwmni chi eisoes wedi cael ei benderfynu? Rwy'n cofio, yn 2008-09, pan oeddwn i'n rhan o lywodraeth leol, bod trafodaeth ynglŷn â throsglwyddo'r cyfrifoldeb i'r cwmni, ond, oherwydd y problemau ar y pryd yn Lloegr, roedd oedi ar y penderfyniad hwnnw. Er mwyn imi ddeall hyn yn glir, a yw'r penderfyniad i drosglwyddo o lywodraeth leol eisoes wedi'i wneud, neu a yw'r penderfyniad hwnnw yn rhan o'r Bil hwn?

**Aled Roberts:** I want to ask my question in Welsh. This part of the Bill has been presented by the Government as something that is technical in nature, and you confirmed that. So, has the decision on transferring responsibility from local government to your company already been taken? I remember, in 2008-09, when I was part of local government, that there was a discussion about transferring responsibility to the company, but, because of the problems at the time in England, that decision was postponed. So that I can be clear on this, has the decision to transfer from local government already been taken or is that decision part of this Bill?

[187] **Mr Wallace:** My understanding is absolutely that the decision has already been taken and that significant conversations are already taking place between our organisations as we are building the service in Wales around the Transfer of Undertakings (Protection of Employment) Regulations 1981 opportunities for local authority staff. So, my understanding is that this is approved and authorised to go ahead. This is a technical section within the Bill to allow us to take advantage of some functionality and process efficiencies that we have developed for England and wish to effectively make available to the Welsh service. However, if this Bill or this particular part of the Bill did not go through, we would still go ahead—

[188] **Aled Roberts:** You would be operating, but it would be the manual system.

[189] **Mr Wallace:** It would be the manual system, so it would have the same costs and inefficiencies that are in the system just now, so we would be denying ourselves the opportunity to take advantage of these benefits.

[190] **Aled Roberts:** Rwy'n falch, wrth **Aled Roberts:** I am pleased, of course, that

gwrs, fod swyddi yn cael eu creu yn y gogledd am unwaith yn hytrach nag o fewn milltir i'r lle hwn. Wrth i chi ddweud bod TUPE, nid yw TUPE yn ymarferol ar hyn o bryd i rywun sy'n gweithio yn sir Benfro neu sir Fynwy i drosglwyddo i ganolfan yng Nghyffordd Llandudno.

jobs are being created in north Wales for once rather than within a mile of this place. You referred to TUPE, but TUPE is not practical for someone who is, at present, working in Pembrokeshire or Monmouthshire to transfer to a centre in Llandudno Junction.

[191] **Mr Wallace:** One of the streams in the programme is working closely with officials in the Department for Education and Skills. In the Student Loans Company, my colleague the HR director is personally chairing that work stream, so we are taking it very seriously. We are taking our conversations with Welsh Government and local authorities seriously as well. So, a working group has been established and it has already set out the principles and rules of engagement in terms of getting communication, dialogue and transparency. I believe that they are going well. So, we are doing everything within our potential to make sure that we preserve the opportunities, but we are also creating some new jobs that are completely new and not just transfers. They are around the information, advice and guidance that are given. This is off the back of what colleagues in Wales have seen that we have done for colleagues in England, which have created benefits to the students in terms of awareness, widening access, participation, et cetera. So, we have been asked to build that into the service and that is creating real new jobs and employment, and we have insisted that these jobs are based locally, so, again, they will be in north Wales.

[192] **Bethan Jenkins:** I ddilyn yr hyn roedd Aled Roberts yn ei ddweud am yr hyn sydd yn digwydd i staff, rwyf wedi siarad ag undebau yn Abertawe lle bydd newidiadau yn effeithio ar swyddi achos, ar hyn o bryd, maent yn *front facing* a gall myfyrwyr ddod mewn i siarad am yr hyn maent yn ei wneud. Yr hyn sydd yn fy mhoeni, gan ddilyn yr hyn roedd Angela yn ei ddweud, yw er na fydd yn rhaid llenwi'r ffurflenni, os oes problem gyda'r systemau IT, i ble bydd y myfyrwyr yn mynd yn sgîl y ffaith y bydd gwasanaethau yn cael eu canoli neu eu moderneiddio ym Mae Colwyn? Bydd y staff hynny yn gorfod ffeindio swyddi newydd, mynd i lefydd eraill neu symud i Fae Colwyn. A allwch chi roi gwybodaeth i ni ynglŷn â sut fydd y broses honno'n digwydd?

**Bethan Jenkins:** Following on from what Aled Roberts said regarding what is happening to staff, I have spoken to unions in Swansea where the changes will affect jobs because, at present, they are front facing whereby students can come in to talk about what they are doing. What concerns me, to follow on from what Angela was saying, is that although the forms will not have to be filled in, if there is a problem with the IT systems, where will students go in light of the fact that services will be centralised or modernised in Colwyn Bay? Those staff will have to find new jobs, go to new places or move to Colwyn Bay. Can you give us information about how that process will pan out?

[193] **Mr Wallace:** The Student Loans Company has not been asked by Welsh Government officials to take into account and find alternative employment for those who might be displaced. We have been asked to look at taking the experience that we have had from creating an effective service for England and replicating as much of that as possible for the Welsh Government. So, we are acting within our brief. We are doing everything that we can to maximise the jobs that are retained in Wales and to improve the customer experience and the benefits for customers as well. Beyond that is outwith the remit of the Student Loans Company. I am not trying to wash my hands of it; I am just saying that it is not part of our remit in terms of our role and responsibilities.

[194] **Bethan Jenkins:** Okay, but I do not think that you have answered the question in relation to what will happen. You are saying that that is not your responsibility, but if the systems do not work, who do people go to for assistance?

[195] **Mr Wallace:** I beg your pardon, I misunderstood; I thought that you were asking about the responsibility to ensure that there was employment for those who no longer have to answer questions.

[196] **Bethan Jenkins:** I take that point.

11.15 a.m.

[197] **Mr Wallace:** The systems are now tried and tested over four cycles, and we believe that they are fully robust. We are also investing in a multimillion-pound replacement of our core systems to strengthen them further. We think that our processes and systems are strong enough. The problems that the organisation had in 2009-10—I came in on the back of 2009-10 to help put in places some stronger, robust processes—were around risk management and contingency planning and the testing of the systems. These are the areas that we have strengthened very significantly. Professor Sir Deian Hopkin, of whom some of you will be aware, produced a very effective review of the Student Loans Company, but also chaired the board of the Student Loans Company for a period of some months. Therefore, he got to know and understand the work that we had done to remedy the recommendations in his report. We are comfortable that the processes and systems work. We have contingency plans for all of our systems and processes. The thing that will be different here—and this happened in England as well—is that students and/or sponsors could have previously gone to have a face-to-face conversation with a local authority. The downside of that is that local authorities were inadvertently giving inconsistent information across the authorities, whereas having one shared service centre, effectively, allows us to provide a much more consistent service. That was creating issues around equality of advice and information. There were issues with that. We think that that will be a big benefit as well.

[198] **David Rees:** On that point, we all sometimes focus on the student being a 17 or 18-year-old, but there are students who are more mature than that and who may not be aware of what options are available to them, and therefore will want that face-to-face contact. Are you saying that the only advice that you think will be provided will be via your centre in Llandudno, or is there going to be a relationship with local authorities, so that individuals who may want to go into education from being out of work or from other areas will be able to go to talk to somebody?

[199] **Mr Wallace:** If they are looking for information around the detailed application process for student funding, that is provided through Student Finance Wales. That will either be online or through a large amount of information, advice and guidance that we are going to be creating and producing. As I mentioned earlier, the role of the local authorities will be more of a signposting service to say to people, 'If you wish to apply for student finance, this is how you do it', and to direct them to the websites and the existing materials that we have. I do not see that local authorities would have a continuing role. That is my understanding: they would not have a continuing role in the provision of detailed information and would be more likely to be signposting people to the right places.

[200] **David Rees:** Is it going to be more problematic for those individuals, because they are going to be the ones who might not have parents or sponsors? They will be the individuals who need that advice perhaps more on the ground than on the telephone.

[201] **Mr Wallace:** It is a good question. It is not something that we see as a significant or even insignificant issue in the English service. It is not something into which I have great insight. That is probably not a satisfactory answer to your question. I do not want to make something up that is not correct. I am more than happy to take the question away and ensure that we give a comprehensive answer to that. I am more than happy to do that.

[202] **Ann Jones:** That would be helpful if that is possible.

[203] **Simon Thomas:** I gadarnhau: a fydd **Simon Thomas:** Just to confirm: will this  
y gwasanaeth newydd hwn ar gael yn new service be available in Welsh and  
Gymraeg ac yn Saesneg? English?

[204] **Mr Wallace:** Yes, it will. We have a full programme in terms of the bilingual processes. The website is fully bilingual, but there are other parts of the service that are not fully bilingual and we have a programme to roll this out so that it will be fully bilingual.

[205] **Ann Jones:** Will it be made available to all equality strands? Will it be available to somebody who use tactile communication or somebody who needs speech text? It is very important that it is bilingual, but it is important that students who have disabilities have access to any additional communication tools that they use.

[206] **Mr Wallace:** Yes.

[207] **David Rees:** Traditionally, HE institutions are the bodies that you deal with. The Bill also gives more flexibility to FE institutions to deliver HE courses. Therefore, perhaps we will be seeing more students closer to home in FE institutions following these different courses. Do you have a relationship with institutions so that advice can be given in those places rather than through local authorities?

[208] **Mr Wallace:** Yes, we do, across all of the HEIs, and we already provide some FE products for Wales and for Northern Ireland. We have existing information, advice and guidance. So, there is a large amount of online and traditional material that is disseminated across the sector, to allow those in it to point people in the right direction. So, yes, we have existing relationships and communication materials.

[209] **David Rees:** You said that that was HEIs, but what about FEIs?

[210] **Mr Wallace:** No; it is FE as well.

[211] **David Rees:** Okay.

[212] **Ann Jones:** Do Members have any more questions, or are we content? I see that we are content. Thanks very much for that. There is just that one point, perhaps, on the mature students and those who need—

[213] **Mr Wallace:** I will make sure that they send the information.

[214] **Ann Jones:** The additional information would be helpful. We will send you a copy of the transcript to check its accuracy. Thank you very much for coming and, again, I apologise that we kept you waiting for such a long time.

[215] **Mr Wallace:** That is all right. Thank you very much. I am sorry could not answer every question.

[216] **Ann Jones:** No, that is fine. Thank you.

11.20 a.m.



**Cynnig o dan Reol Sefydlog Rhif 17.42 i wahardd y Cyhoedd o'r Cyfarfod**  
**Motion under Standing Order No. 17.42 to exclude the Public from the Meeting**

[217] **Ann Jones:** I move that

*the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 17.42.*

[218] I see that the committees in agreement. Thank you very much.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.21 a.m.*  
*The public part of the meeting ended at 11.21 a.m.*