



**Response to the Finance Committee's call for information:
Welsh Government draft Budget proposals for 2016-17**

About the Learning and Work Institute

1. The Learning and Work Institute was established on 1st January 2016 following the merger of NIACE and the Centre for Social and Economic Inclusion. We bring together over 90 years of combined history and heritage from the 'National Institute of Adult Continuing Education' and the Centre for Economic and Social Inclusion. We want everyone to have an opportunity to realise their ambitions and potential in learning, work and throughout life. We believe a better skilled workforce, in better paid jobs is good for business, good for the economy and good for society.
2. Learning and Work Institute has offices in Cardiff, London and Leicester and we work in every nation of the UK. We work with partners in Europe, sharing our learning and seeing what works in other countries. We do:
 - a. Research: We deliver research and evaluation for a wide range of funders
 - b. Development: We undertake development work for government, foundations and charities
 - c. Policy: We inform and influence policy makers at the heart of learning, skills and employment
 - d. Statistics and resources: We are expert economic and labour market analysts. We help organisations understand and use local labour market information
 - e. Conferences, Events and training: We deliver conferences, seminars and training for professionals working in learning and employment
 - f. Campaigns: We deliver campaigns like Adult Learners Week, the Festival of Dangerous Ideas Cymru and Learning @ Work.

The Welsh Government draft budget proposals for 2016-17

3. Learning and Work Institute welcomes the decision by Welsh Government to protect funding for post-16 education and skills in broad terms. This reflects importance of an educated and skilled population to the social and economic future of Wales.
4. The decision to protect funding for post-16 education and training follows a challenging few years in which the numbers of adults (people aged 19 and above) engaged in learning has declined across HE, FE, work based learning and adult and community learning. Some local authorities, colleges and universities have dramatically reduced their offer to adults due to constraints in funding, or withdrawn provision completely. While the recent budget is therefore extremely welcome, much work needs to be done to provide clear strategic direction to ensure the best use of resources, safeguarding opportunities for adults over the age of 19 to access education and training across Wales- this will need to be a priority for the new Government post May 2016.

5. It is also worth noting the additional funds identified for the Pupil Deprivation Grant which are welcome. Where used most effectively, the PDG is a key enabler to facilitate family learning, bring adults and community into the school environment. Research has shown that family learning in this context both raising the educational attainment of adults, and their children. Schools like Monkton Priory in Pembrokeshire demonstrate how use of the PDG is crucial for raising school attainment, and engaging the whole community. There is short film about this school on our website: <https://www.youtube.com/watch?v=2lwVDmnZVSM>
6. Therefore while broadly welcoming the budget settlement, Learning and Work Institute does have some concerns about the impact of certain decisions on particular groups of learners. Therefore, we have restricted our comments in this submission to question 2 on the committee's call for information paper – "*Looking at the draft budget allocations for 2016-17, do you have any concerns from a strategic, overarching perspective, or about any specific areas.*" There are three areas of concern and these relate to proposed cuts to; higher education; educational and careers choice; and employment & skills.
7. We concentrate in this response on the impact of the proposed budget on higher education mainly, however it is worth flagging up the proposed cuts to careers choice and employment and skills. It is not clear at this stage what the impact of these cuts will be. However, it is true that in the population is growing and ageing, people will have to work longer, change jobs more often and combine work with other responsibilities such as caring. These changes mean that people over the age of 19 will increasingly need advice, guidance and support to make the right choices that will enable them to remain (or become) economically inactive. While reforms may be required to educational and careers choice programmes in Wales, we must ensure that provision is still available to those adults who need it, and not only school aged children and young people.

Higher Education

8. We are concerned that full and detailed consideration is giving to the impact of the cut to higher education, and proper assessment made of how this will impact on particular groups of students. It is important to note that the £41m budget reduction will **not** impact on the full-time tuition fee grant which is paid to all full-time undergraduates domiciled in Wales regardless of where they study within the UK or their household income- the subject that has been of much debate in the National Assembly. The funding for this commitment is protected and indeed an extra £10 million has been allocated in this draft budget to support this policy. The provisional cost of the Welsh Government tuition fee grant in 2015/16 is £264 million¹. This means that the £41m cut will need to be found elsewhere in the HE budget.
9. As there are no proposals to reduce the full-time fee grant, the proposals in the draft budget will inevitably place considerable pressure upon the institutional learning and teaching grant distributed by HEFCW in respect of part-time undergraduate students. This means that part-time undergraduate provision and the students that study part-

¹ Response by the Minister for Education and Skills to written question on 9 December 2015

<http://www.assembly.wales/en/bus-home/pages/plenaryitem.aspx?category=written%20question&itemid=3165&assembly=4&c=Written%20Question>

time will be disproportionately affected-thus exacerbating the differential levels of public support for the two modes of provision (full and part time study).

10. It is worth considering how the changes to the funding model for HE have impacted on students in England, so that lessons may be learned. The considerable increase in part-time fees in England has seen the number of people studying part-time drop by 41 per cent over five years. The Education Minister has explicitly stated that he does not want to see part-time numbers in Wales decline in the same way but the evidence suggests that this will happen if support for part-time provision is significantly reduced or removed altogether. Numbers of part time HE students in Wales have already declined by 10% in Wales.
11. We have particular concerns that the proposed cut to HE, if it does result in a reduction in funding for part time (and no corresponding cut to full time) would have a direct impact on those learners who are more likely to study part time. There are many valid reasons why a student may need to study part time. Part time students are more likely to be: adults over the age of 25, women, disabled students, those studying whilst also working and carers. As such, we have serious concerns about the equality impact of this draft budget proposal. Research shows that women are more likely than men to study part-time (56.7% of part-time students in Wales are women compared with 51.5% of full-time students) and considerably more older people study part-time than full-time (21.8% of part-time students in Wales are over 40 compared with 1.5% of full-time students).
12. Finally, if the proposed budget does have the impact we have outlined here on part time, this will be a cumulative impact which mirrors the cuts elsewhere in the education budget over recent years. For example, in Further Education the budget for part-time adult education in colleges was cut by 50% in 2015/16. Between 2004/05 and 2013/14, part-time adult learners reduced by a massive 46%. Colegau Cymru have argued that adults over the age of 25, and women in particular, have suffered the biggest impacts of the ongoing funding constraints in education. Women make up 63% of the part-time learner population over the age of 25 in Wales' colleges. Reductions in funding have also led to fewer adults over the age of 19 accessing work based learning, including apprenticeships, and there has been a large decline in numbers of learners in adult community learning.
13. Learning and Work Institute knows that education and training has a massive transformational effect on individuals, and also enables them to make a full contribution to the economy, life and society. We fear that the cumulative impact of recent cuts may create a system that disproportionately favours the young, and those able to study full time, and does not afford individuals a second chance.

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