

ADDRESS TO UCU WALES ANNUAL CONGRESS ON SATURDAY, 2 MARCH 2013

I should like to thank you all for inviting me here to speak to you today.

I have met with UCU representatives many times over the last twelve months in what has been a busy year for us all. And a testing year, it has to be said.

It has been a year where mergers, completed and proposed - both in Further Education and Higher Education – have moved our post-16 education sector to a more robust and sustainable position.

And, at last, in HE quality, not structures, can now be the main subject of public debate.

The process has required the unions, and other stakeholders, to balance the immediate needs of their members with what is best for future learners in Wales.

I want to start today by recognising the progressive approach you have taken to that process. I wish that some others would have followed your example.

And with other unions, and employers, I know that you are playing an active role in the education subgroup of the Welsh Government's Workforce partnership Council.

This is becoming as an important platform for debate around strategic priorities

Additionally, even where we disagree - I welcome the fact that the basis of that disagreement is an honest informed debate about what will best improve educational standards in Wales.

Again, there are others that could learn from you in this regard.

So what are the challenges that face us?

You will be aware that, later this year, I will be introducing a Welsh Bill that will impact on Further Education.

Welsh Ministers are proposing to use the Bill to implement a number of technical changes to the primary legislation that governs Further Education Colleges in Wales.

As set out in the White Paper I published last July, my intention is to change how colleges conduct their financial arrangements, and to give them the ability to dissolve themselves, to support partnership working.

We have also proposed changes to the establishment of governing bodies that will meet specific and local needs - and, crucially following representations from UCU - staff and learner places on governing bodies will be protected.

Colleges will need to be transparent and accountable for the decisions they will take. This means transparency and accountability to Welsh Ministers, to local communities, to staff, and most importantly to learners.

To use the jargon, we will be returning colleges to “non-profit institutions serving households” - but colleges will not be able to ignore Welsh Government policies and priorities.

Colleges receive around 80% of their funding from the Welsh Government and we will still hold colleges to account.

Ministerial imperatives such as continuing to raise standards; improving progression of learners into

higher education and training and employment;
developing employer engagement and improving
the take-up of bilingual and Welsh-medium
provision will continue to be important.

Welsh Ministers will have considerable intervention
powers, thus recognising the significant level of
investment by the Welsh Government in the further
education sector. If a college demonstrates that it is
failing to meet the needs of learners, intervention
can include removing the governing body and
directing collaboration.

I have received a fair amount of correspondence on
this Bill, often expressing concern that public
investment could be lost. This is simply not the
case. Regulations will be put in place to protect the

assets of colleges and ensure that publicly funded assets are retained for the benefit of learners in Wales.

Consultation with key stakeholders on the provisions to be included in the regulations will take place in the next academic year; exact timeframes will depend on the timescale for the Bill.

On the issue of re-classification, I know that you continue to have genuine concerns; but the simple truth is that we find ourselves in a position not of our choosing. Bluntly, I wish we didn't have to do it.

I believe that our proposed way forward is in the best interests of the sector, and in the best interests of learners in Wales.

Last year, I know that the Deputy Minister for Skills stood on this podium and encouraged you to progress the negotiations around the common contract.

Don't worry. I know that it takes two to tango. And the message I give to you today, is the same message I will continue to give to the Colleges.

Please do not give up on this.

Achieving a common contract is essential for modernising the further education sector across Wales and it will also support our ambition to develop a stronger further education sector.

This ambition will benefit your members, learners and employers. It will firmly place FE as a key contributor to the success of the Welsh economy, and help raise the profile of vocational education.

As Government we urge you to continue pursuing this goal. We know it is challenging, but too much progress has been made to allow negotiations to falter now. It is a manifesto commitment, and we are very conscious of that.

Turning to Higher Education, the last few years in Welsh HE have been dominated by three key factors:

between 2009 and 2012 we have been implementing our HE strategy, *For our Future*, ably supported by HEFCW through the Council's Corporate Strategy;

we have had to manage the consequences of the outcome of the Browne review and its implementation by the UK Government, which has meant fundamental changes to the way in which higher education is funded in Wales and Welsh students supported in their learning;

we have been pursuing more vigorously than ever before the commitment given in our 2011 manifesto to create a smaller number of stronger universities in Wales.

As some of you here may have heard me say before, I believe that we have now largely delivered this agenda.

Overwhelmingly, the leaders of higher education in Wales share the Welsh Government's vision and ambition for the future of HE.

For roughly a decade, reconfiguration of the HE sector and increased collaboration have been key elements in the strategy of successive Welsh

governments towards the HE sector – from *Reaching Higher*, in 2002, to the current HE strategy, *For our Future*.

It is time for us to move beyond *For our Future*, time to focus on the quality of HE and not the structure of HE, and I will be making a further policy statement on this in due course.

But I can say now that the future direction we must take will reflect the four overall challenges facing the higher education system as a whole:

- the first is the financial challenge of the old model of HE, where every qualified 18 year-old was traditionally able to access 3 years full-time study away from home, with the quality of the student experience now ever more central

- the second is the transformative challenge of the best content from the best teachers being available on a global basis digitally
- the third is the democratisation of HE and the thirst for learning internationally, which is both a challenge and an opportunity
- and the fourth is the challenge of public accountability for the public money that is injected into the system, which in a climate of economic scarcity will sharpen, no matter how large a proportion of HE income comes from fees, and will result in stronger national governance and a requirement for better and more strategic institutional governance.

Globally, the advent of MOOCs (Massive Open Online Courses) represents a new internet based model for volume participation in higher education.

Over the past year, we have witnessed online course ventures being launched by some of the most prestigious global academic brands such as Stanford, MiT and Harvard. Udacity and Coursera (which includes the University of Edinburgh) are potentially the start of a new breed of for-profit online higher education providers. The Gates Foundation is now funding a potential accreditation model for MOOCs. In just one year these new ventures have attracted serious venture capital investment.

I think that digital learning has the potential to be a disruptive innovation. But I also recall that when I worked in the BBC, we were told for many years in the 1990s that the Internet would take over. So the key lessons so far seem to me

- that we need to understand the capabilities of digital technologies for teaching and learning
- that original and unique content matters
- that while some new brands emerge powerfully, strong old brands survive as citizens seek trusted pathways.

I am sure there will always be campus-based study.

But its task in a digital world is more complex and it will operate in a more transparent and democratic environment.

I am pleased that the HE sector has started to respond to the challenge I set in my last remit letter to HEFCW about online learning, with a recent commitment for Wales to be a distinctive Open Education nation in the world by 2013/14. If Wales can combine Open Educational Resources with Open Educational Practice, including research, then it will be possible to enhance learning and teaching and the quality of the whole student experience.

We are doubtless all familiar with the type of technology-enhanced higher education which is offered by the Open University in Wales.

Its materials are excellent quality and we are fortunate to be able to draw on the wider resources of the OU across the UK. It is not feasible for all universities to invest in technology-enhanced learning to the extent that has been possible in the OU over decades. Neither should anyone pretend that the particular learning experience offered by the OU meets the needs of all students. I know they wouldn't make such a claim. Equally, though, it would not be appropriate for the other universities in Wales to leave the technology to the OU: each has an important part to play in these developments.

Drawing on the expertise of the OU, along with others such as JISC and the Higher Education Academy, universities in Wales will be well placed

to make sure that they learn from the best, but also are challenged to be the best.

This all-Wales approach by higher education is an excellent example of what can be achieved when institutions in Wales work together. The encouragement of a collaborative approach has been explicit in Welsh Government policy for years and these developments underline precisely why we have been right to push the universities in this direction so consistently.

Whilst the future of online courses is unclear, the current Tier 4 restrictions mean that this type of delivery may become increasingly attractive to foreign students as well as domestic students and

we must ensure that Wales is well placed to prosper in the face of such developments.

We are opposed to the restrictive immigration and visa policies of the UK Government which are damaging to the UK's reputation abroad and to the reserves of further and higher education institutions in Wales.

I recently announced that I have set up a Task & Finish Group to look at online learning in HE.

I know you will share my concern, against a backdrop of recent decline, for the future of part-time higher education provision in Wales, much of which supports work-based learning.

Given the obvious efficiencies and reach associated with online educational delivery, the Task and

Finish Group will also investigate the extent to which the online delivery of educational content may provide a solution to these issues.

The Group will look at:

The potential opportunities afforded by digital developments for the Welsh sector at a time of constrained public expenditure

The potential competitive threat posed by global technology based developments on our own Higher Education Sector

To what extent the Welsh Higher Education Sector is working collectively to bring economies of scale to maximise the opportunities afforded; and

To what extent these technological developments may provide a platform to

increase participation in part time and full time higher education, again in a period of constrained public spending.

Whether the Welsh Government should stimulate investment in a new model of delivery of part-time higher education, working with the OU, HEIs, FEIs, broadcasters and employers, drawing on new digital delivery models.

As I predicted in 2010, the tuition fee policy introduced by the coalition government in Westminster has had a dramatic effect on recruitment throughout the UK. As a result, the HE sector continues to face a period of profound change and uncertainty.

I have asked the Funding Council in Wales to come forward with creative, workable solutions to these challenges. It is imperative that we work together to ensure that we continue to deliver on the wider agenda for HE – including widening participation, driving and strengthening the higher education sector's contribution to economic regeneration and competitiveness.

I was therefore pleased that the latest UCAS figures for the 2013/14 indicated that HE institutions in Wales have started to respond to the challenges facing them. These figures continue to support our view that our tuition fee policy is sustainable and will actually provide the HE sector with a significant amount of additional income over the next 4 years.

The decision to go on to Higher Education is one that only individuals can make. Some young people may choose to find employment or pursue vocational training. Whatever their choice, we believe prospective students from Wales should not be deterred from applying to attend any university in the UK due to a lack of funding or support.

I remain deeply proud of the action we have taken to protect the interests of Welsh students and, for the sake of any remaining doubters, let me reiterate once again here that this Government is absolutely committed to the tuition fee policy we have introduced in Wales for the lifetime of this Assembly. It is affordable and it works.

Looking ahead, the research agenda remains a significant challenge for us. The Welsh Government is working actively with key UK stakeholders, such as BIS and the Technology Strategy Board to ensure that we help Welsh R&D performing organisations maximise the opportunities arising from the forthcoming **Horizon 2020 Programme**. The Welsh HE sector is already actively pursuing and demonstrating success in winning Framework Programme funding. For example, Cardiff University recently exceeded 100 Framework Programme projects.

Our HE sector has the potential to make a major impact on transforming the Welsh economy. It will be crucial to our success over the next few years that Wales and Welsh universities capitalise on the

opportunities offered by a fresh round of European funding. The aim should be to build on research excellence in key growth sectors to establish centres of world-class excellence, thereby attracting researchers and businesses to Wales, and contributing to positive outcomes for Wales in the Research Excellence Framework.

We also need to consider just what our approach will be to promoting Welsh HE internationally. Our higher education institutions are already attracting students from all over the world. I want us to ensure that we are aiming not at the low-cost high volume end of the market, but seeking to build long-term and sustainable relationships that drive up research quality and recognition as well.

Continuously improving the quality of provision requires a commitment to learn from best practice, to innovate and adapt to changing circumstances. This includes adapting to the changing needs and expectations of students and investing in both staff development and student engagement.

The FE and HE White Paper we published in July last year made it clear that the quality of higher education delivered in Wales is at the heart of the Welsh Government's proposed reforms and indicated our intention to place both quality assessment and quality enhancement on a statutory footing in Wales as well as seeking to ensure greater involvement of learners in the quality process.

Moving beyond *For our Future* means looking to where we want Welsh higher education to be by 2020. It means starting to address the question of how we develop a sustainable funding model for HE on a long-term basis. We know of course that a UK Government of a different political hue in 2015 could mean a different approach to the level of tuition fees in England, which could free up more resources for HEIs in Wales.

Moving beyond *For our Future* also means playing to the real strengths of individual institutions in Wales, not pretending that every institution can have the same mission, the same potential or the

same model for growth. We need a clear view of what is really world-class. There needs to be a real role for government in promoting the quality and strength of Welsh higher education internationally.

I therefore intend to produce a new HE policy statement, building on *For our Future*, but moving beyond it, in partnership with the sector.

The focus will be outward, not inward. It will recognise that we now have a Welsh HE sector based on a smaller number of stronger universities, able to promote themselves and Welsh HE more vigorously in the UK and globally.

It will be developmental, building on the strengths that we have, aiming for continuous improvement of

teaching and learning, research and innovation,
access and participation.

It will have a clear vision for an HE sector that is
world-class.

It will have a clear commitment from government to
invest in success.

In all of these developments, we want to hear from
your union and to work with your union in
developing world class institutions here in Wales.

Thanks for this opportunity to speak.