

**Explanatory Memorandum to the Cardiff and Vale College (Incorporation) Order 2011 and the Cardiff and Vale College Further Education Corporation (Government) Regulations 2011**

This Explanatory Memorandum has been prepared by the Department for Children, Education, Lifelong Learning and Skills and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 24.1.

**Minister's Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Cardiff and Vale College (Incorporation) Order 2011 and the Cardiff and Vale College Further Education Corporation (Government) Regulations 2011. I am satisfied that the benefits outweigh any costs.

*Gwenda Thomas*

Deputy Minister for Social Services

7 March 2011

## **1. Description**

The Cardiff and Vale College (Incorporation) Order 2011 (the Incorporation Order) establishes a further education corporation for the purpose of conducting a new educational institution by the name of Cardiff and Vale College. The Order provides that the new further education corporation will be established on 8<sup>th</sup> April 2011 and will conduct the educational institution called Cardiff and Vale College from 1<sup>st</sup> August 2011.

The Cardiff and Vale College Further Education Corporation (Government) Regulations 2011 (the Government Regulations) prescribe the Instrument of Government and Articles of Government for the Cardiff and Vale College further education corporation. The Instrument of Government and Articles of Government provide for the constitution and conduct of the Cardiff and Vale College further education corporation.

The Welsh Assembly Government intend the further education corporations of Barry College and Coleg Glan Hafren to be dissolved and their property, rights, liabilities and staff to be transferred to the Cardiff and Vale College, and for the new educational institution of the Cardiff and Vale College to be operational from 1<sup>st</sup> August 2011.

## **2. Matters of special interest to the Constitutional Affairs Committee**

In accordance with the requirements of the Further Education Corporations (Publication of Draft Orders) (Wales) Regulations 2007 (the 2007 Regulations) a summary of the Draft Incorporation Order was published in the Western Mail on 3<sup>rd</sup> February 2011, was posted in at least one conspicuous place within the Cardiff and Vale of Glamorgan areas; County Hall, Cardiff and the Vale of Glamorgan's Civic Centre, Barry; and was posted in a conspicuous place at or near the main entrance of all campuses of Barry College and Coleg Glan Hafren. The summary was also posted in all of the two local authorities' libraries, and in the foyers of Cardiff University, University of Wales Institute, Cardiff (UWIC), The Open University and the University of Glamorgan (The ATRiuM and The Royal Welsh College of Music and Drama sites).

Also in accordance with the 2007 Regulations a copy of the Draft Incorporation Order was sent to The City and County of Cardiff and The Vale of Glamorgan Council; the governing bodies of further education institutions and schools which provide education for 16-18 year olds, in the area to be served by the institution. The Draft Incorporation Order was also sent to other persons appearing to the Welsh Ministers to have an interest, including relevant professional organisations, unions, Further Education Institutions, Higher Education Institutions, Welsh Language Board and Faith Communities Fora.

### **3. Legislative background**

The Incorporation Order will be made under section 16(1)(a) and 17 of the Further and Higher Education Act 1992 (the 1992 Act).

A draft and summary of the Incorporation Order have been published in accordance with section 51(3) of the 1992 Act and the Further Education Corporations (Publication of Draft Orders) (Wales) Regulations 2007.

The Government Regulations will be made under sections 20(2), 21(1) and Schedule 4 to the 1992 Act.

The functions of the Secretary of State under sections 16, 17, 20, 21, 51 and schedule 4 of the 1992 Act were transferred to the National Assembly for Wales by virtue of article 2 of and Schedule 1 to the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). The functions of the National Assembly for Wales were transferred to the Welsh Ministers by virtue of paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (c.32).

The Incorporation Order and Government Regulations are subject to the negative resolution procedure.

### **4. Purpose & intended effect of the legislation**

The Assembly Government is committed to developing an education and training system that offers a broad range of learning opportunities and is responsive to learners, employers and communities across Wales as in *One Wales, Skills that Work for Wales* and *Transforming Education and Training Provision in Wales*.

The Assembly Government's policy for the *Transformation of Education and Learning Provision in Wales* was launched in September 2008 and encourages mergers between institutions where they offer improved learning provision and opportunities for learners.

The further education corporations of Barry College and Coleg Glan Hafren have submitted a merger proposal to the Assembly Government which seeks to create single merged further education college for the City and County of Cardiff and Vale of Glamorgan Council which will be known as Cardiff and Vale College.

The Welsh Assembly Government has considered the merger proposal and is satisfied that the proposed merger will be expected to provide outstanding learner opportunities and experience for young people, adults and employers within the Capital Region of Cardiff.

## **5. Consultation**

A consultation on the Incorporation Order and Government Regulations has not been undertaken. However, both Colleges have undertaken an extensive consultation exercise, and since the decision to merge was made, further consultation has been undertaken signalling a high level of support for the merger.

## **Regulatory Impact Assessment (RIA)**

The Incorporation Order and Government Regulations have no impact on the statutory duties (sections 77 – 79 Government of Wales Act 2006) and do not impose any additional burdens upon the statutory partners (sections 73 – 75 GOWA 2006).

## **6. Options**

The 'do nothing' option is not viable as it does not meet the requirements of *Transforming Education and Training Provision in Wales* to widen the options available for young people and reduce unnecessary duplication, and would only provide minimal improvements for learners, employers and the local economy. The Assembly Government has considered the 'Strategic Outline Case' submitted as a potential merger proposal from Barry College and Coleg Glan Hafren in January 2010 and is satisfied that the proposed merger will provide increased efficiency and effectiveness for learners in the area.

Barry College and Coleg Glan Hafren have a long-standing tradition of working together in partnership which dates back before the incorporation of FE colleges in 1992. The option to merge was considered in response to *Transforming Education and Training Provision* in recognition that the establishment of an integrated learning network in the Capital Region of Wales would benefit learners in the Cardiff and the Vale of Glamorgan.

A merger provides for the realisation of the potential of FE in Cardiff and the Vale of Glamorgan, and will enable the profile of further education to be greatly improved and provide wider learning opportunities, wider employer engagement and an improved quality profile.

Financial and Legal Due diligence exercises have been undertaken on both institutions which have identified where efficiencies and savings can be made.

## **7. Benefits**

The merger of Barry College and Coleg Glan Hafren will bring two complementary and successful organisations together and drive forward the Transformation Agenda to deliver the education and training framework needed

to support the economic, social and cultural regeneration articulated in the 'One Wales' strategy.

The merger option proposed is the option that most effectively meets the following business needs and increased learner benefits.

The new college for Cardiff and the Vale of Glamorgan seeks to raise the profile of Further Education and provide a stimulus for increasing learning opportunities that will equip students for work, retraining, to enter Higher Education and to participate actively in the community of Cardiff and Vale of Glamorgan.

Cardiff and Vale College is an important development in driving forward the Assembly Government's key priorities in education and training including improving learner outcomes, reducing economic inactivity, and improving skill levels of those in employment.

## **8. Costs**

The incorporation of Cardiff and Vale College and subsequent dissolution of Barry College and Coleg Glan Hafren Further Education Corporations will optimise the efficient and effective delivery of FE provision in the Capital Region of Cardiff.

Barry College and Coleg Glan Hafren forecast savings in under three years, and the newly merged Cardiff and Vale College will lead to better opportunities for learners, the forging of stronger links with industry and commerce, and will become a focal point for education and skills training in the capital region. The savings forecast will be used for more and improved front line services to:

- Improve opportunities for learners
- Become a focal point for Education, Lifelong Learning and Skills within the capital region
- Provide a seamless pathway to employment or Higher Education
- Develop stronger links with business and commerce in order to meet their specific educational and training needs
- Develop a regional Vocational Centre for Welsh-medium/bilingual provision
- Achieve greater operational efficiencies
- Develop greater institutional resilience and flexibility

## **9. Competition Assessment**

The Incorporation Order and Government Regulations will have no impact on the costs of business, charities or the voluntary sector.

## **10. Post implementation review**

The merger process is subject to ongoing review procedures which will be monitored and followed with a comprehensive report 18 months after the date of the dissolution order.

## **11. Summary**

The Cardiff and Vale College (Incorporation) Order 2011 (the Incorporation Order) establishes a further education corporation for the purpose of conducting a new educational institution by the name of Cardiff and Vale College. The Cardiff and Vale College (Government) Regulations 2011 (the Government Regulations) prescribe the Instrument of Government and Articles of Government which provide for the constitution and conduct of the Cardiff and Vale College further education corporation.