



Llywodraeth Cymru
Welsh Government

DRAFT TERTIARY EDUCATION AND RESEARCH (WALES) BILL

INTEGRATED IMPACT ASSESSMENT

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OVERVIEW OF THIS INTEGRATED IMPACT ASSESSMENT

Context

This Integrated Impact Assessment (IIA) relates to the proposed Tertiary Education and Research (TER) (Wales) Bill. The legislative changes proposed in the Bill cover a number of areas relating to the funding of tertiary education and research. These include the establishment of a new strategic authority – the Commission for Tertiary Education and Research (the Commission) – to provide oversight, strategic direction and leadership for the post-compulsory education and training sector including school sixth forms. This body will replace HEFCW and take on functions currently undertaken by the Welsh Ministers.

By bringing tertiary education provision under one commission the intention is to reduce duplication, unnecessary complexity and a lack of joined up working between the different areas post compulsory educational institutions and, where they exist to build on the existing partnerships and collaborative frameworks.

The primary difference between the current arrangements and how the proposed Commission would work is an ability for it to take a ‘whole systems’ view and to plan and fund provision accordingly. There is an expectation from the Welsh Ministers and stakeholders that a long term impact of the Commission would be to promote coherence of provision and collaboration between providers.

The Bill includes a requirement for a strategic plan to be developed and delivered by the Commission in response to the Welsh Ministers’ strategic priorities. This should help to align the activities of the Commission with the needs of Wales and its citizens, both learners and employers.

Integrated Impact Assessment (IIA)

We have considered how the Bill provisions:

- Fit with the priorities and vision of *Prosperity for All*¹;
- Can contribute to the social, cultural, economic and environmental well-being of Wales, in line with the Well-Being of Future Generations (Wales) Act 2015; and
- Might affect Wales and the people who live here, positively or negatively.

¹ <https://gweddiill.gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>

SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

Background

In March 2016 Professor Ellen Hazelkorn published “Towards 2030: A framework for building a world-class post-compulsory education system for Wales”, her independent review of post-compulsory education in Wales.

The review made two primary proposals:

- The establishment of a new arm’s length body to provide oversight, strategic direction and leadership for the post-compulsory education and training (PCET) and research sector.
- Welsh Government should develop an overarching vision for the PCET system with stronger links between education/training policy and providers and social and economic goals.

Professor Hazelkorn concluded that the current system was insufficiently learner focused and did not fully achieve value for money. A major theme running through the report was the need for PCET to operate as a single sector to support learners to reach their potential, rather than operating as several discreet sectors in competition with each other. It would involve collaboration and partnership working between post-compulsory institutions of all types to achieve this vision. The report also contained proposals on how PCET should be regulated and monitored in the future, to create a sustainable, coherent and competitive PCET system for Wales.

Professor Hazelkorn highlighted UK government proposals for making significant changes to the organisation and funding of research, which would have UK-wide implications. While she did not deal with this in detail, she acknowledged its importance to the Welsh economy and relevance to PCET. There is therefore a need for joining up between PCET and research.

The review prompted a Welsh Government commitment in ‘Prosperity for All’ 2017. The reforms are outlined as follows:

We will:

- introduce a new strategic planning system for post 16 education, which plans the provision across sectors and responds to the needs of Wales.
- deliver coherent progression through and between the different post 16 education sectors, so that the individual’s learning pathway meets their needs and aspirations and is not defined by artificial boundaries between academic and vocational routes.
- bring together all research funding and ensure that funding decisions reflect Welsh priorities, including the needs of the national and regional economic sectors.

- ensure closer working between industry, schools, universities, colleges and the NHS to raise ambition and increase investment in research, developing the jobs and technologies of the future.

Development of Policy

The proposals have been developed in light of the five ways of working in the Wellbeing of Future Generations (Wales) Act 2015.

They are intended to provide long-term benefit to providers, learners and employers by aligning all post compulsory education under one arm's length body. This should help to ensure that learners are able to look at all the options available to make informed decisions about learning routes appropriate to their needs and aspirations.

The proposals contribute to the key commitments within Prosperity for All and the Economic Action Plan by introducing a new planning system for post-16 education which plans the provision across sectors and responds to the economic needs of Wales. The strategy is to deliver coherent progression through and between the different post-16 education sectors, so that the individual's learning pathway meets their needs and aspirations and is not defined by artificial boundaries.

The policy has been developed following detailed responses from and subsequent liaison with stakeholders including HEFCW, HE Institutions, FE Institutions, ESTYN, local authorities, schools, regulatory bodies, apprenticeship providers, workforce representatives, employers and businesses.

During our consultations we involved learners and providers, discussing our proposals with them at Skills Cymru events, local schools and colleges and Wales wide roadshows. A Young Persons' consultation, designed specifically for our younger stakeholders was also published alongside our White Paper.

Impact

The Bill provisions will ensure that the major recommendation arising from the Hazelkorn review is implemented: the creation of an arm's length body with responsibility for the whole post-compulsory sector and research. The Commission will be expected to exercise its functions taking account of the Welsh Ministers' strategic priorities for Wales.

The provisions will affect all providers and learners engaged in post compulsory education and training. Benefits are expected to include:

- uniformity of cultural approach to regulation of institutions across PCET through a common purpose;
- improved match between the supply of education, training and research opportunities and the demand from learners and employers;
- value for money (better return on R&I investment);

- more collaborative R&I projects;
- reduction in the number of NEETs, and more post 16 learners progressing to higher learning and/or well-paid employment;
- increased recognition of the value of both academic and vocational qualifications;
- increased availability of Welsh-medium tertiary education and an increase in the number of individuals choosing to study through the medium of Welsh;
- improved learner satisfaction;
- continuity in provision across the whole sector: a coherent route map for learners and providers;
- a coherent funding model for the PCET sector;
- alignment between funding and cost of provision across PCET (comparable across HE FE and school sixth forms): A logical approach to funding for appropriate delivery, linked to supply/demand;
- more joint use of facilities (Shared service agreements); and
- oversight of the sector will increase capacity to both plan and adapt collectively to future economic and social changes
- **Financial Implications**

The financial implications of the provisions are set out in part 2 of the Explanatory Memorandum, the Regulatory Impact Assessment, which will accompany the Bill when it is introduced.

Mechanism for Delivery

The proposal is to bring forward primary legislation. A Regulatory Impact Assessment will be published as part of the Bill documentation at introduction.

SECTION 2. WHAT WILL BE THE EFFECT ON SOCIAL WELL-BEING?

2.1 People and Communities

The provisions contained within the TER Bill will affect all learners and providers engaged in post compulsory education and training, including maintained school sixth forms which is funded by the Commission.

The main social benefits will be answered in more detail within the Children's Rights, Equality, Rural proofing, Health and Privacy impact assessments attached to this document.

2.2 Children's Rights

Full Children's Rights Impact Assessment at **annex A** below.

2.3 Equality

The Equalities Act 2010 places a General Equality Duty on Welsh public authorities to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, as well as to advance equality of opportunity and to foster good relations between people who share a protected characteristic and those who do not.

The Welsh Government is required to have arrangements in place for carrying out Equality Impact Assessments across all of the protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

An Equality Impact Assessment (EIA) is the formal, systematic and thorough analysis of an organisation's actions to assess those actions for the possibility of discrimination, and for the opportunity to promote equality and foster good relations.

At the time of the White Paper consultation, an initial EIA was completed. This indicated the proposals *as a whole* are unlikely to affect people with protected characteristics, notwithstanding the identified distinction between those aged up to the age of 19 and those aged over 19. The information contained in the assessment was tested during the consultation exercise and the assessment has been updated to take account of the latest information as well as the responses to the consultation.

Undertaking an EIA is mandatory and the assessment has been completed and is at Annex B.

2.4 Rural Proofing

We are expected to ensure that the needs of the people who live, work, socialise and do business in rural areas are objectively considered. Completing a Rural Proofing Impact Assessment is a mandatory part of the policy making process.

Rural proofing is a government commitment, underpinned by the principles of social justice, sustainability, equality and fairness, and includes action to improve the quality of life for those residing in our Welsh rural communities.

The provisions proposed within the TER Bill will apply to anyone undertaking or providing post compulsory education, training or research in Wales, including learners and providers based in rural locations.

Discussions held with stakeholders during the technical consultation suggested that access to choice was seen as the greatest challenge for rural areas in Wales, for example in terms of limitations in non-tertiary areas or for access to higher education.

For providers, provision is more costly in rural areas although this can be mitigated to some extent through online or blended learning, as long as students have access to the relevant technology. Support for students can be more difficult to deliver over a sparse rural area.

It is envisaged that the extent of the impact of our proposals on rural communities will be moderate. The establishment of the Commission should have a positive impact on meeting the needs of learners in both rural and urban areas throughout Wales and will help to establish clear and flexible learning and career pathways, providing better information and advice to learners and potential learners wishing to participate or progress in post 16 education and training.

The Commission will have an overview of all PCET learning providers along with the education and training opportunities that those providers deliver. It will therefore be well placed to identify gaps in provision, including problems faced by learners in parts of Wales where they are unable to access the courses they require and problems faced by businesses where they are unable to recruit appropriately skilled workers.

Provisions within the Bill will ensure that the Commission must, when securing FE&T *have regard to the requirements of employers in relation to the education and training required in different sectors of employment.* Under general duties (Part 1) it must have regard to: *the reasonable requirements of industry, commerce, finance, the professions and other employers regarding tertiary education and research and innovation.* By working closely with RSPs, the Commission will have the opportunity to review the learning provision available, in order to align this with the skills needs of local businesses and learners. The outcome agreements negotiated with each learning provider could then be used to help address any gaps. Long-term, this should help learners to access the skills required to obtain high quality employment within an increasingly competitive labour market.

As the impact on rural learners will be moderate and it is not proposed that the provisions of the Bill will have a direct impact on rural communities a full rural proofing impact assessment will not be needed.

2.5 Health

It is not predicted that the provisions within the Bill will have a direct impact on health determinants. However, there may be indirect long-term benefits resulting from learners being able to achieve meaningful employment and therefore a better engagement with society and improved standard of living and the associated health and wellbeing benefits.

By helping learners to achieve the skills required to gain employment there is a potential knock on positive effect on mental health and wellbeing.

Economic Conditions

It is envisaged that the provisions of the Bill will have a positive impact on economic conditions. A key focus of the Commission will be protecting the interests of learners ensuring that both academic and vocational qualifications are equally valued and that learners gain the appropriate skills required to succeed in an increasingly competitive market. In addition, the Commission will be responsible for aligning post-compulsory education and training more closely with the needs of employers in Wales, helping to build a stronger future economy. In the long term, improving the educational outcomes of learners and lifelong learning will have a beneficial impact on the types and quality of employment and engagement with society. Over time this will help to reduce poverty and its associated impacts.

The compounded effect of employment improves the likelihood of increased wealth and a healthier environment in retirement, which has a direct impact on wellbeing, recovery and mortality rates in older people.

Positive Impacts

The provisions of the Bill will have a positive impact on the common social determinants of health, specifically in the areas of improved opportunity for employment and its associated benefits to mental health and wellbeing and improved living standards. A stronger economy will help to address the levels of poverty and its associated negative impacts on health.

Negatives Impacts

No negative health impacts have been identified however, this will be monitored by the Commission through tertiary education providers, as the development of the policy progresses and if necessary mitigating actions put in place.

Research shows that employment helps improve health and wellbeing both for the employee and their family members. It is hoped that there will be positive impacts on the

ability of learners to gain high-quality employment, improving the outcomes for those who are currently unemployed or on a low income.

As the impacts identified are not significant a more detailed health impact assessment has not been conducted.

Privacy

A Privacy Impact Assessment (PIA) is an analysis of how personal information, related to groups or individuals, is collected, stored, protected, shared and managed. The PIA is a process for assessing the privacy implications of activities which involve the use, and changes to the use, of personal data.

A policy, project, legislation or ICT project that will process personal data, or require another organisation to do so, must comply with the Data Protection Act 2018 and the Human Rights Act 1998. Formal assessment of privacy impacts is a requirement for all new activities which involve the use of personal data.

A Privacy Impact Assessment is at annex D. The PIA established that a full Data Privacy Impact Assessment is required.

SECTION 3. WHAT WILL BE THE EFFECT ON CULTURAL WELL-BEING AND THE WELSH LANGUAGE?

3.1 Cultural Well-being

The goal of The Well-being of Future Generations (Wales) Act 2015 for culture is 'A society that promotes and protects culture, heritage and the Welsh language and which encourages people to participate in the arts and sports and recreation'. Culture includes museums, archives, libraries and the arts; heritage includes the built historic environment as well as intangible heritage such as traditions; arts encompasses performance and creative sectors including music, literature, theatre and art, whilst sports and recreation include both elite and community sports as well as opportunities to participate in wider outdoor recreation.

A key recommendation within the Hazelkorn report was the need for civic engagement to be embedded as a core mission and become an institution-wide commitment for all post-compulsory education institutions.

Both consultation papers set out the challenge for academic institutions to recapture a sense of civic mission and highlighted that it is critical for them to reach beyond the classroom and campus and work with their communities - promoting knowledge, learning and skills across society. The papers recognised that to support this activity, and to ensure a strengthened mutual relationship between citizens, communities, researchers and providers, the framework for our post-compulsory education system itself needs greater clarity.

The key pillars of the concept are:

- reach beyond campus and into their host communities by developing their partnerships within and across community;
- engaging in activities to widen access to education, including building partnerships between education providers and other organisations that can further this aim;
- encouraging student/graduate/employer enterprise and entrepreneurship opportunities; and
- social responsibility (for example, being a living wage employer).

As drafted there will be a duty on the Commission to promote the pursuit of a civic mission by institutions in Wales in the higher and further education sectors. It will also be enabled to promote the pursuit of a civic mission in other persons, such as research and innovation bodies that it funds if it considers it to be appropriate. In order to comply with this duty to promote civic mission, we would expect the Commission to work collaboratively with stakeholders in setting out how this may be achieved. The Commission will be able to discharge its duty to promote the pursuit of a civic mission in the exercise of its other functions under the Bill.

Civic mission is defined in the Bill (as drafted) as “action for the purpose of promoting or improving the economic, social, environmental or cultural well-being of Wales”. There will be a strong link between expectations of how this duty should be exercised and the goals set out in the Well-being and Future Generations (Wales) Act 2015. However, the duty within this legislation will be more distinct in its scope. Expressly providing for it here is a significant step and highlights it as a key priority for the Commission.

It is not envisaged that provisions contained within the Bill will have a negative effect on the promotion and protection of culture and heritage or the ability to participate in arts, sport or recreation.

3.2 Welsh Language

The Welsh Language (Wales) Measure 2011 was passed by the National Assembly for Wales and was given Royal Assent on 9 February 2011. The Measure makes provision about the official status of the Welsh language in Wales, which amongst other things means that the Welsh language should be treated no less favourably than the English language in Wales.

The Measure establishes the role of the Welsh Language Commissioner, whose principal aim in exercising his or her functions is to promote and facilitate the use of the Welsh language by increasing the use of Welsh language in the provision of services and improving the opportunities people have to use it.

Cymraeg 2050² is Wales' national strategy for increasing the number of Welsh speakers to a million by 2050. The Welsh Government is fully committed to the target of a million Welsh speakers included in the Taking Wales Forward programme for government, and Prosperity for All: the national strategy³. A thriving Welsh language is also part of one of the seven well-being goals set out in the Well-being of Future Generations (Wales) Act 2015, as explained above.

The Welsh Government also has a statutory obligation to fully consider the effects of its work on the Welsh language. Considering the impacts, both positive and negative, of its work on the Welsh language, and Welsh speaking people and communities is an essential part of the policy development and delivery process.

Cymraeg 2050 sets out that Wales wants to see:

- an increase in the range of services offered in Welsh, and an increase in the use of those services whether delivered by public, private or third sectors;
- families using Welsh socially, which reinforces what happens in the home, and expands the contexts in which children regard the Welsh language as a relevant part of their everyday life;
- those who visit to experience Welsh culture;
- young people's using the language;
- sustaining and growing communities with a high density of Welsh speakers;
- more to celebrate culture, or 'diwylliant', both within Wales and beyond;
- how technology will develop in future, and consider the way we communicate with one another will continue to change, which presents challenges as well as opportunities for minority languages; and
- that the Welsh language is at the heart of innovation in digital technology to enable the use of Welsh in all digital contexts.

The Welsh Language assessment is available at **annex E** below.

² <https://gweddill.gov.wales/docs/dcells/publications/170711-welsh-language-strategy-eng.pdf>

³ <https://gov.wales/prosperity-all-national-strategy>

SECTION 4. WHAT WILL BE THE EFFECT ON ECONOMIC WELL-BEING?

The Welsh Government's commitment to supporting economic well-being is strengthened through the Well-being of Future Generations (Wales) Act 2015, which outlines seven national well-being goals, considered throughout this IIA. Of particular relevance to this section is the goal 'A Prosperous Wales', seeking to create "an innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work."

Supporting growth in the Welsh economy, and through this tackling poverty, is at the heart of *Taking Wales Forward*, the Welsh Government's Programme for Government.

4.1 Business, the general public and individuals

The Economic Action Plan sees the TER reforms as pivotal in promoting opportunity for all and commits to the introduction of "...a strategic planning system for education and skills delivery across post 16 education, working with the Regional Skills Partnerships to align this to our national and foundation sectors where this is possible and practicable. (It will)...assess and match skills to the needs of the economy, building on the commitment in Prosperity for All to work with the Regional Skills Partnerships to anticipate future skills needs. Post 16 education and skills planning and delivery will include strong links to local authorities and regional consortia to ensure all parts of the education system are focused on meeting the needs of learners, employers and wider communities".

The Regulatory Impact Assessment includes a cost and benefits analysis taking into account the provisions included in the Bill and how these will affect different sectors in Wales.

It is not thought that the legislation will directly impact businesses but it may indirectly affect them in a positive way. It is proposed that the Commission will need to work closely with business representatives, examining skills gaps in the labour market, and taking these into account when planning provision across Wales. This should have a positive impact by identifying and addressing the needs of employers across Wales. The Commission will also work closely with the Regional Skills Partnerships, ensuring that the needs of local businesses, especially in rural areas are examined during planning of provision. This should benefit not just large businesses but will potentially help SMEs as well to ensure that they can meet their skills needs.

This could positively impact individuals as they are able to gain the required skills to either gain meaningful employment or build on their existing skills to improve their career prospects.

In particular the change to the apprenticeship frameworks will allow for a more flexible, modular system of frameworks which will allow employers to be better able to put together models that suit their business needs. This includes the ability to include industry recognised standards alongside qualifications within the framework to allow employers to tailor the apprenticeship to their particular skills need and for apprentices to see a clear progression pathway within their chosen area. This should have a positive impact on ensuring that the needs of the labour market can be met by the skills of the labour force to match apprenticeship frameworks to their particular skill needs as provisions within the legislation will allow for qualifications and industry recognised standards to be included in the frameworks.

The Commission will have responsibility for Welsh Government funded higher level research and innovation, which falls within its remit, in the PCET sector. The provisions contained within the legislation in relation to research and innovation should have a positive impact on the economy with improved levels of productivity and Gross Value Added (GVA) resulting from more research which is more effective in driving innovation and productivity.

Further, the Commission may fund or otherwise support and promote research and it is anticipated that this will positively influence the growth of research capacity in Wales. This growth is expected to increase the success rate of Wales' research organisations in winning competitive research funding.

The legislation will provide for a robust quality assurance approach, demonstrating the high quality of the provision in place and subsequently having a positive impact on the reputation of post-16 education and training in Wales, which is particularly important for higher education and international recruitment. This will ensure that employers and learners can be assured that the post-16 education and training being undertaken is of a high quality, by positively impacting attainment levels, careers and the economy.

It is hoped that the Commission will simplify provision and develop a more consistent offer for learners, employers and their workforce.

State Aid

In terms of State Aid for this specific provision of support, there are two levels for consideration for State aid; that of the setup of the Commission and that of their providing support to end beneficiaries. The State Aid Unit advise that the set-up of the Commission should be possible to support on a risk-based 'no aid' basis on the grounds that, for legal purposes; it can be argued to be a 'Teckal company' (A "Teckal" company is the common name for a company which benefits from contracts for works, services or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process.) and therefore considered to be 'in-house'. This is the approach that the Welsh Government has used for the Development Bank for Wales and for Business Wales.

For R&I project funding, each provision of support would need to be considered on a case-by-case basis; and this is something which the State Aid Unit would be happy to discuss with awarding officers as the new body comes on-stream in 2022/3.

4.2 Public Sector including local government and other public bodies

The Commission will have oversight over the four main sectors of post compulsory education and training: higher education institutions, further education colleges, community-based adult learning and mainstream school sixth form provision.

FE Colleges are categorised as public sector organisations, linked to Welsh Government through their terms and conditions of funding but otherwise managed as privately owned corporations.

Maintained school sixth forms are funded by local authorities and therefore under the category of local government.

HE institutions are private autonomous bodies, funded by Welsh Government via learners' tuition fees and through HEFCW.

As the Commission will bring all post compulsory education under one body the proposal will affect staff currently working within Welsh Government engaged in delivering and overseeing FE provision and HEFCW staff overseeing HE provision.

It is envisaged that the Commission will positively promote co-operation between post-16 providers and support the creation of new courses that are required to meet Welsh Government objectives. It may become aware of provision which is regarded as sub-standard, or duplicative, and accordingly approach a provider with a request to modify its offer. It may ultimately refuse to fund or otherwise support provision.

The Commission will acquire oversight and responsibility for the portion of Estyn's funding and activities that covers post-16 education inspections and other activity. Estyn is a

Crown Body independent of, but funded by, Welsh Ministers. The Bill will have a significant impact on Estyn's operating arrangements and stakeholder relationships. However, it is intended that the Commission will ensure, together with Welsh Ministers, that Estyn's net core budget is maintained at current levels. Estyn will be a critical partner for the Commission in ensuring that further education and training provision continues to improve in quality and is meeting the overall goals of the Commission and the needs of the people of Wales.

4.3 Third Sector

Universities and FE colleges will be critical third-sector partners in achieving the overall aims of PCET reform and realising the benefits of the TER Bill.

Universities, colleges and apprenticeship and training providers will see changes in the source and administration of their public funding, though it is not envisaged that the Bill will lead directly to major changes in the allocation or levels of funding that these organisations receive. The Bill will allow Welsh Ministers to require that the Commission enter into an Outcome Agreement with providers which it funds. An Outcome Agreement will specify the ways in which a funded provider will contribute to achieving the Commission's overall strategic goals. The intention is that funded post-compulsory education activity will be more closely aligned to the needs of Welsh society, culture and the economy.

The Bill will also change the way in which these third-sector providers are regulated. The Commission will manage a register of tertiary education providers, primarily as a means of regulating access to Welsh Government student support. The register will inherit several existing regulatory requirements for providers, whilst also creating new requirements in respect of learner voice and learner complaints. Regulation will be expected to be applied where required to ensure that public monies are effectively spent and are contributing to overall public goals.

The provisions will alter oversight of the governance assurance of Universities from HEFCW to the Commission.

4.4 Justice Impact

The Bill re-states an offence for wilfully obstructing the Chief Inspector (of Estyn) in the exercise of functions in relation to an inspection by them under the Bill. Reviews of Commission decisions will be by an appointed person or panel, as occurs under the Higher Education (Wales) Act 2015. Recommendations by that person or panel will then be made to the Commission, who will make a fresh decision (or stand by its original decision).

In addition, within the data provisions where the Commission will have a power of direction to request information from an institution or certain persons. Any such direction is enforceable by injunction, However, because there will be mechanisms in place for

ensuring the information is collated as a matter of routine, this is considered unlikely in practice.

The likely impact on the justice system of the proposals in the Tertiary Education Research (Wales) Bill is likely to be minimal or nil.

Following discussions, a Justice Impact Assessment has been submitted to the Ministry of Justice and will be made publicly available once the Ministry of Justice approve the assessment.

SECTION 5. WHAT WILL BE THE EFFECT ON ENVIRONMENTAL WELL-BEING?

Under Section 9 of the Environment (Wales) Act 2016, the Welsh Ministers are required to prepare, publish and implement a natural resources policy and to take all reasonable steps to implement it and to encourage others to take such steps. The Natural Resources Policy was published in August 2017.

5.1 Natural Resources

Provisions within the Bill allow for a new Commission to be established with oversight of all post-compulsory education and training in Wales as well as Welsh Government research and innovation. It is not envisaged that these provisions will impact either positively or negatively on the National Priorities in the Natural Resources Policy.

Economic Conditions

It is envisaged that the provisions of the Bill will have a positive impact on economic conditions. A key focus of the commission will be protecting the interests of learners ensuring that both academic and vocational qualifications are equally valued and that learners gain the appropriate skills required to succeed in an increasingly competitive market. In addition, the Commission will be responsible for aligning post-compulsory education and training more closely with the needs of employers in Wales, helping to build a stronger future economy. In the long term, improving the educational outcomes of learners will have a beneficial impact on the types and quality of employment. Over time this will help to reduce poverty and its associated impacts.

The compounded effect of employment improves the likelihood of increased wealth and a healthier environment in retirement, which has a direct impact on wellbeing, recovery and mortality rates in older people.

1. Positive Impacts

The provisions of the Bill will have a positive impact on the common social determinants of health, specifically in the areas of improved opportunity for employment and its associated benefits to mental wellbeing and improved living standards. A stronger economy will help to address the levels of poverty and its associated negative impacts on health.

2. Negatives Impacts

No negative health impacts have been identified however, this will be monitored by the Commission and institutions as the development of the policy progresses and if necessary mitigating actions put in place.

5.2 Biodiversity

The Welsh economy and health and well-being in Wales depend on healthy, resilient ecosystems, which provide us with our food, clean water and the air we breathe, the raw materials and energy for our industries and protect us against hazards, such as flooding and the impacts of climate change. Therefore, biodiversity is essential to sustaining ecosystems that provide the vital services our lives depend on. Where biodiversity is lost and perhaps never fully recovered, it affects the capacity of ecosystems to adapt to changes and disturbances.

To demonstrate compliance with Section 6 of the Environment (Wales) Act 2016, a **Error! Reference source not found.** has been completed at annex F below.

5.3 Climate Change

Climate change has been identified as one of the biggest threats facing our future generations. On 29th April 2019, the Minister for Environment, Energy and Rural Affairs, Lesley Griffiths AM declared a climate emergency in Wales. The announcement highlighted the significance of the recent climate change protests and the evidence from the Intergovernmental Panel on Climate Change (IPCC) Special Report on the impacts of global warming of 1.5°C⁴.

We need to reduce our emissions through decarbonisation action (5.3a) and to adapt to the impacts of climate change by increasing our resilience (5.3b).

5.3a Decarbonisation

The Tertiary Education, Training and Research Bill will provide for the establishment of a new Commission overseeing post-16 education across Wales. It is not envisaged that provisions of the Bill will affect the Welsh Government's climate change commitment, therefore a full climate change assessment will not be required.

5.3 b Adaptation

It is not envisaged that the establishment of a new Commission for the oversight of post 16 education in Wales will affect the ability to adapt to the effects of climate change.

5.4 Strategic Environmental Assessment (SEA)

The Strategic Environmental Assessment applies to plans, programmes and strategies required by legislative, regulatory or administrative provisions, and either subject to preparation and/or adoption at a national, regional or local level, or being prepared by an authority for adoption through a legislative procedure (for example, an Act of Parliament or regulation). A SEA is required if the plan, programme or strategy is likely to have an impact

⁴ <https://seneddresearch.blog/2019/05/09/wales-declares-a-climate-emergency/>

in certain key areas – agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, tourism, town and country planning or land use.

It is not envisaged that provisions contained within the TER Bill will have a direct impact on the environment.

5.5 Habitats Regulations Assessment (HRA)

The purpose of an HRA is to avoid a plan or project having a significant detrimental effect on European sites, either alone or in combination with other plans of projects. European sites are designated under the Nature Directives as either Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) – collectively known as Natura 2000 (N2K) sites. HRA's also apply to Ramsar wetland sites (designated under the 1971 Ramsar Convention for their internationally important wetlands), candidate SACs (cSAC), proposed Special Protection Areas (pSPA), and proposed and existing European offshore marine sites.

It is not envisaged that provisions contained within the TER Bill will have a direct impact on habitat regulations.

5.6 Environmental Impact Assessment (EIA)

Where the impacts have a potential to significantly affect the environment, the Environmental Impact Assessment Directive requires that an Environmental Impact Assessment (EIA) must be carried out and the EIA Directive sets out a procedure that must be followed for certain types of project before they can be given consent. This procedure, known as Environmental Impact Assessment (EIA), is an assessment of a project's likely significant environmental effects. This helps to ensure that the predicted effects, and the scope for reducing them, are understood by the public and the relevant authority before it makes its decision.

It is not envisaged that provisions contained within the TER Bill will have a direct impact on the environment.

SECTION 6. RECORD OF FULL IMPACT ASSESSMENTS REQUIRED

The sections above have helped inform which areas need a more detailed impact assessment. A summary of the assessments subject to this IIA are listed below. The full impact assessments should be read alongside and within the context of the appraisal of economic, social, cultural and environmental well-being as presented in the preceding sections of this IIA.

Impact Assessment	Yes/No	If yes, you should
Children's rights	Yes	
Equality	Yes*	
Rural Proofing	No	
Health	No	
Privacy	Yes	
Welsh Language	Yes*	
Economic / RIA	Yes	
Justice	Yes	
Biodiversity	Yes*	
Climate Change	No	
Strategic Environmental Assessment	No	
Habitat Regulations Assessment	No	
Environmental Impact Assessment	No	

* Mandatory for all proposals in order to meet statutory obligations.

SECTION 7. CONCLUSION

7.1 How have people most likely to be affected by the proposal been involved in developing it?

In developing these proposals the Welsh Government consulted with a wide range of stakeholders. Two formal consultations have been held, *Public Good and a Prosperous Wales* and *Public Good and a Prosperous Wales - the next steps* and respondents broadly welcomed the proposals. In addition, officials held roadshows across Wales with stakeholders from the PCETR sector who will be directly affected by the proposals. This included representatives from FEIs, HEIs, HEFCW, local authorities, employers, apprenticeship providers and regulators to ascertain their views and responses to the proposals.

A consultation⁵ was commissioned to engage with young people, including those from protected characteristic groups, in schools and colleges across Wales to capture their views on the proposals. In total over 25 schools/colleges across Wales as well as over 10 protected characteristic groups were represented during this consultation.

Welsh Government officials spoke to a variety of stakeholders at Skills Cymru⁶ events and engaged with current learners ranging from as young as 9 years old and adult learners up to the age of 70 years old; a good gender mix; individuals from different race; and individuals with learning disabilities. Further examples of diversity included Welsh language speakers, representation from parent network groups, the Commission for Racial Equality, and community learning centres.

Feedback from learners indicated that there were a number of barriers to accessing PCET. Although the provisions contained in the Bill will not directly address all of these, feedback from the consultations will be shared with the Commission and it will need to take this into account subject to its duty under the Equality Act 2010 as a Welsh Government Sponsored Body.

7.2 What are the most significant impacts, positive and negative?

The most significant impact of the proposals will be the effect on coherence of provision. The Commission will be able to take a 'whole systems' approach to the PCET sector, ensuring that provision and funding are directed where it is needed. The inclusion of research and innovation and the close link with employers will help to ensure that learning provision can respond to the needs of employers as well as ensuring that research is directed to the areas that can exploit the funding to its best potential. This will ensure that

⁵ <https://gov.wales/sites/default/files/consultations/2018-02/171204-pcet-young-persons-consultation-report-en.pdf>

⁶ <https://gov.wales/sites/default/files/consultations/2018-02/171204-pcet-learner-voice-events-en.pdf>

funding is targeted in a strategic manner, and that Wales is able to compete for funding on a UK-wide basis.

Wales will maintain and develop excellent research within the PCET sector, collaborating with organisations, both within the UK and internationally to exploit opportunities. Research funding will support both research and innovation, boosting Welsh businesses. Institutions will work to maintain and enhance partnerships both within their local community and throughout Wales, the UK and the world, in industry, and with the public sector.

The establishment of this new body will enable stronger and more secure national and regional planning, strengthen the link between research and education, and deliver a PCET system that is better placed to respond to macro-changes; to plot paths for learners; and to bring the sector together in a way that provides for genuine life-long learning and skills development.

The Welsh Government is committed to the delivery of an equitable, excellent, engaged, and enterprising PCET system that enjoys public confidence and is a source of national pride. A system that is cognisant of the performance domains recommended in 'Maximising the Contribution of the Post-Compulsory Education and Training System to the Achievement of Welsh National Goals'⁷, and contributes to the goals set out in the Wellbeing of Future Generations Act (WFGA)⁸; that strengthens Wales' economic and social foundations, and responds to employer needs and learner interests for high quality education and training, research and innovation. A system embedded in, and which adds value to the communities it serves whilst being international in outlook.

The Commission will have a duty to promote the pursuit of a civic mission by institutions in Wales in the higher and further education sectors. It will also be enabled to promote the pursuit of a civic mission in other persons, such as research and innovation bodies that it funds if it considers it to be appropriate. The PCET system should also provide guidance, effective choice, equitable access and appropriate pathways to learning opportunities for all. The Welsh economy should be strengthened, by encouraging enterprise, responding to employer needs and enabling a relevant and growing research base.

⁷ 'Maximising the Contribution of the Post-Compulsory Education and Training System to the Achievement of Welsh National Goals - A review of systems for monitoring and improving the effectiveness of post-compulsory education in Wales' 2018 Report Professor Harvey P. Weingarten : <https://gov.wales/review-systems-monitoring-and-improving-effectiveness-post-compulsory-education-and-training-pcet>

⁸ Wellbeing of Future Generations Act – Wellbeing Goals <https://gweddill.gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en>

The new Commission will encourage the PCET sector to collaborate effectively by adopting a whole-system approach to learners, where FE, HE and school sixth forms engage with each other to enhance the communities they serve. The system will provide a learner focused system that promotes lifelong learning and delivers effective choice and guidance.

The new system will enable learning, assessment and progression through the medium of Welsh to 'develop post-compulsory education provision which increases rates of progression and supports everyone, whatever their command of the language, to develop Welsh language skills for use socially and in the workplace.'

7.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

The provisions incorporate many of the key themes in our well-being objectives and goals:

Support people and businesses to drive prosperity

The development of the new Commission will strengthen Wales' economic foundations and wellbeing, by encouraging enterprise, responding to employer needs and enabling a relevant and growing research base. The Commission will be responsible for promoting Welsh research and bidding for funds on behalf of organisations in Wales in the UK and wider.

The Commission will oversee and regulate the quality and standards of education and training in the tertiary education, training and research sector, provided by, or on behalf of, those institutions within its quality assurance remit.

Tackle regional inequality and promote fair work

Inequalities will be challenged by focusing the tertiary providers on the needs of the local area and encouraging local tertiary providers to be more joined up in their provision and ensuring a broad range of educational areas is covered in the locality.

Support young people to make the most of their potential

The Commission will be driving new and innovative ways of working, bringing education and training providers closer together supported by more robust strategic planning and funding mechanisms, stronger performance and accountability systems, and quality enhancement arrangements which will enable Wales to benchmark and learn from the very best worldwide.

Build ambition and encourage learning for life

It will deliver a learner-focused system that promotes lifelong learning and delivers effective choice and guidance, and equitable access to appropriate learning pathways and opportunities. The new Commission will encourage the tertiary sector to collaborate

effectively by adopting a whole-system approach to learners, where FE, HE and maintained school sixth forms engage with each other to enhance the communities they serve. The system will provide a learner focused system that promotes lifelong learning and delivers effective choice and guidance.

On Research and Innovation, the new Commission will engage on behalf of Welsh institutions and organisations to bid for UK-wide R&I funding on an equal footing to organisations across the UK and globally.

Equip everyone with the right skills for a changing world

By collaborating with other organisations, businesses and the third sector, institutions will be able to provide current skills which are required by the workplace.

Build resilient communities, culture, and language

The new Commission will drive a system that enables learning, assessment and progression through the medium of Welsh. In addition the distinct duty of promoting the pursuit of a civic mission by institutions in Wales in the higher and further education sectors will contribute to this because civic mission is defined in the Bill (as drafted) as “action for the purpose of promoting or improving the economic, social, environmental or cultural well-being of Wales”.

Deliver modern and connected infrastructure

The Commission will encourage institutions to work together to provide the courses which communities require, reduce duplication and focus on skills that are required by employers in the workplace.

Promote and protect Wales’s place in the world

The Commission will bid and promote R&I funding on a UK-wide level and globally to ensure that Welsh organisations exploit the potential funding streams available and gets recognised for its R&I work.

It is proposed that the new Commission will be placed under a duty to have regard to the need to increase the provision of Welsh-medium tertiary education including higher education and further education courses and apprenticeships. This will help to maintain the use of the language throughout education and enable the language to be further embedded in communities which in turn will assist the Welsh Government in achieving the targets set out in Cymraeg 2050.

Vocational and academic studies will be valued equally by the Commission, allowing learners to develop their own talents and excelling in their chosen field of study.

The Commission will be active on an international scale, engaging with UK funding bodies to bid for UK-wide funding on behalf of Welsh institutions to fund initiatives in the Welsh Ministers strategic plan.

7.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

What plans are in place for post implementation review and evaluation?

The Bill proposals cover a number of areas relating to tertiary provision. These provisions relate to setting up a Commission to oversee tertiary education and research and innovation. They are intended to improve tertiary education in Wales and enable providers to make the best use of Welsh Government funding for education, research and innovation.

Elements of this provision are high level, to allow the Commission to create the detailed systems and processes to operate the tertiary education sector. Therefore the impact assessments are based on the information available at this point in time, prior to the passing and implementation of the legislation.

As part of its annual reporting process the Commission will be required to reflect on progress against its strategic plan which will be drawn up in consultation with stakeholders to deliver against Welsh Ministers' strategic priorities.

Further detail is likely to emerge at the implementation stage of the legislation, with a greater understanding of the potential consequences associated with any changes then being proposed and updated impact assessments could be carried out at that stage.

For the Welsh Government, there is in place a full review process for each part of the Bill proposals. These are outlined in Chapter 10 of the Regulatory Impact Assessment. This provides for formal post implementation review at five, ten and fifteen years (dependent on the measure) as well as ongoing review of data as appropriate.

