



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

**Y Pwyllgor Menter a Dysgu
The Enterprise and Learning Committee**

**Dydd Mercher, 24 Medi 2008
Wednesday, 24 September 2008**

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cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Christine Chapman	Llafur Labour
Andrew R.T. Davies	Ceidwadwyr Cymreig Welsh Conservatives
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur Labour
Janet Ryder	Plaid Cymru The Party of Wales
Kirsty Williams	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

John Griffiths	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog dros Sgiliau) Assembly Member, Labour (The Deputy Minister for Skills)
Dr Dennis Gunning	Cyfarwyddwr y Grŵp Sgiliau, Addysg Uwch a Dysgu Gydol Oes, Llywodraeth Cynulliad Cymru Director of Skills, Higher Education and Lifelong Learning Group, Welsh Assembly Government
Leighton Jenkins	Cyfarwyddwr Polisi Cynorthwyol, Cydffederasiwn Diwydiant Prydain, Cymru Assistant Policy Director, Confederation of British Industry, Wales
Barbara Morris	Pennaeth, Y Gangen Polisi Gweithredol a Datblygu Rhaglenni, Llywodraeth Cynulliad Cymru Head, Operational Policy and Programme Development Branch, Welsh Assembly Government
David Rosser	Cyfarwyddwr, Cydffederasiwn Diwydiant Prydain, Cymru Director, Confederation of British Industry, Wales

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Dan Collier	Dirprwy Glerc Deputy Clerk
Gwyn Griffiths	Cynghorydd Cyfreithiol y Pwyllgor Legal Adviser to the Committee
Dr Kathryn Jenkins	Clerc Clerk
Susan Morgan	Cynghorydd Cyfreithiol y Pwyllgor Legal Adviser to the Committee
Anne Thomas	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.31 a.m.
The meeting began at 9.31 a.m.

Cyflwyniad ac Ymddiheuriadau Introduction and Apologies

[1] **Gareth Jones:** Bore da, bawb, a chroeso i gyfarfod cyntaf y Pwyllgor Menter a Dysgu y tymor hwn. Yr wyf yn falch o'ch gweld.

Gareth Jones: Good morning, everyone, and welcome to the first meeting of the Enterprise and Learning Committee this term. I am pleased to see you.

[2] Atgoffaf bawb i ddiffodd eu ffonau symudol ac unrhyw ddyfais electronig arall. Nid oes angen inni gyffwrdd â'r microffonau. Nid ydym yn disgwyl ymarfer tân, felly os bydd larwm yn canu, rhaid inni symud o'r ystafell a'r adeilad dan gyfarwyddyd y tywyswyr. Bydd y cyfarfod yn ddwyieithog, ac mae clustffonau ar gael os ydych am dderbyn y gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg; mae hwnnw ar gael ar sianel 1. Gallwch glywed y sain wedi'i chwyddleisio ar sianel 0. Fel y gwyddoch, darperir cofnod o'r cyfan a ddywedir yn gyhoeddus.

I remind everyone to switch off their mobile phones and any other electronic devices. We do not need to touch the microphones. We are not expecting a fire drill, so if an alarm sounds, we will have to leave the room and the building under the ushers' guidance. The meeting will be bilingual, and headsets are available if you would like to receive a simultaneous translation from Welsh to English; it is available on channel 1. You can also receive an amplification of the sound on channel 0. As you know, a record will be produced of everything that is said in public.

[3] Yr wyf wedi derbyn dau ymddiheuriad, oddi wrth Huw Lewis a Jeff Cuthbert. Nid oes dirprwyon, hyd y gwn.

I have received two apologies, from Huw Lewis and Jeff Cuthbert. I am not aware of any substitutions.

9.32 a.m.

Y Mesur Prentisiaethau Drafft Draft Apprenticeships Bill

[4] **Gareth Jones:** Mae dau bapur ar gyfer yr eitem hon, sef papurau 1 a 2. Cafodd y Mesur Prentisiaethau drafft ei gyhoeddi ar 16 Gorffennaf eleni. Mae'r ymgynghoriad arno yn cau fis nesaf, ar 8 Hydref. Ysgrifennodd y Pwyllgor Arloesedd, Prifysgolion, Gwyddoniaeth a Sgiliau at y pwyllgor hwn yn ceisio barn yr Aelodau ar y Mesur drafft. Heddiw, cawn gyfle i graffu ar y Dirprwy Weinidog ynglŷn â sut y bydd ef a'i swyddogion yn dylanwadu ar y Mesur drafft a'i bolisiau ar gyfer prentisiaethau yng Nghymru. Yn nes ymlaen yn y cyfarfod, bydd cyfle i glywed barn cyflogwyr ar y ddeddfwriaeth a pholisiau'r Llywodraeth ynghylch prentisiaethau.

Gareth Jones: There are two papers for this item: paper 1 and paper 2. The draft Apprenticeships Bill was published on 16 July this year. The consultation closes next month, on 8 October. The Innovation, Universities, Science and Skills Committee wrote to this committee to seek the opinion of Members on the draft Bill. Today, we will have the opportunity to scrutinise the Deputy Minister with regard to the way in which he and his officials will influence the draft Bill and his policies relating to apprenticeships in Wales. Later in the meeting, we will have the opportunity to hear the opinion of employers on the legislation and the Government's policies regarding apprenticeships.

[5] Estynnaf groeso cynnes iawn i'r Dirprwy Weinidog dros Sgiliau, John Griffiths. Croesawaf hefyd Dr Dennis Gunning, cyfarwyddwr y grŵp sgiliau,

I extend a very warm welcome to the Deputy Minister for Skills, John Griffiths. I also welcome Dr Dennis Gunning, the director of the skills, higher education and lifelong

addysg uwch a dysgu gydol oes, a Barbara Morris, pennaeth y gangen polisi gweithredol a datblygu rhaglenni. Yr ydym yn falch eich bod yma gyda ni ac yn ddiolchgar ichi am eich ymateb ac am y papur. Mae Aelodau wedi cael cyfle i ddarllen hwnnw a'i astudio.

learning group, and Barbara Morris, the head of the operational policy and programme development branch. We are pleased that you are here with us and are grateful for your response and for your paper, which Members have had an opportunity to read and study.

[6] Gofynnaf ichi, Ddirprwy Weinidog, wneud cyflwyniad byr o ryw bump i 10 munud ac yna cawn gyfle, fel Aelodau, i graffu, gofyn cwestiynau neu wneud unrhyw sylwadau.

I ask you, Deputy Minister, to give a brief introduction of around five to 10 minutes and we will then have an opportunity, as Members, to scrutinise, ask questions, or make any comments.

[7] **Y Dirprwy Weinidog dros Sgiliau (John Griffiths):** Diolch, Gadeirydd. Bore da, bawb.

The Deputy Minister for Skills (John Griffiths): Thank you, Chair. Good morning, everyone.

[8] I will give a brief introduction, Chair, at your invitation. We are very committed to taking forward apprenticeships in Wales. We feel that we have had considerable success in increasing the number of apprentices, and we are determined to drive that forward under 'Skills That Work for Wales' and with regard to our general policies, the new Learning and Skills Measure and 14-19 policy, as developed to date.

[9] Much of it is about the importance of vocational education, understanding demands from employers, and providing the skills that they need—for the employers, the individuals, and the economy as a whole. We believe that apprenticeships are central to all that, which is why we are pleased that we have had considerable success to date. We want to drive that forward by further strengthening and developing the successful aspects of our policy. We have proposals for a matching service taken forward by Careers Wales, so that employers can advertise vacancies for apprenticeships on the Careers Wales website. We have an all-age apprenticeship system, and many young people can see the opportunities that are available on that website, and make applications.

[10] We are also trying to align our Welsh baccalaureate with apprenticeship frameworks, in order to have new work-based learning pathways, which would enable young people from the age of 14 to have that element of work-based learning, along with their school work. One thing that we are keen on, through the sector skills councils, the sector bodies, and the new Wales Employment and Skills Board, is forging ever-closer relationships with employers, so that we can be more demand led. We want to have more employed-status apprenticeships, because that is crucial; we have gone quite a long way towards that, but we want to go further.

[11] We have met our completion rate target of 50 per cent. It is patchy from one sector of apprenticeships to another, and we want to drive that further, with an initial leap to 60 per cent, and then to go on from there. There are various reasons as to why completion rates are not everything that we would like them to be, and, as I say, it is patchy from one sector to another. However, that drive for better completion rates, employed-status apprenticeships, and responding properly to demand will be crucial to the way forward.

[12] **Gareth Jones:** Diolch, Ddirprwy Weinidog. **Gareth Jones:** Thank you, Deputy Minister.

[13] **John Griffiths:** I do not know whether you want to hear from Dennis at this stage, Chair.

[14] **Gareth Jones:** Yes, certainly. Do you have anything further to add, Dr Gunning?

[15] **Dr Gunning:** No, not at this stage.

[16] **Gareth Jones:** Okay, thank you. David Melding has the first questions.

[17] **David Melding:** Developing apprenticeships is a hugely important area of policy. As the Minister says, there is a good framework in place, and there has been some evidence of success, compared with performance in England, in particular. I have some issues to raise on the meat of all that. However, first, I feel that I must raise some procedural points.

[18] I am confused by the legislative situation that we now find ourselves in. The Minister started by saying how robust performance has been. Indeed, all this policy development occurred before the UK Government announced that it wanted to legislate in this area. You presumably did not feel previously that strengthening the legislation was particularly necessary, as we had the Assembly Learning and Skills (Wales) Measure 2008. That Measure deals with skills but it does not mention apprenticeships at all; it presumably did not need to, because you were developing policy on that side, and the legislative tools that are in place are sufficient, or so you felt at that time.

[19] However, we are now in a situation where there is a major piece of legislation in England, which will inevitably affect us, because the sector skills councils, for a start, are England and Wales bodies, and now, instead of dealing with these legislative developments in our own Measure—which would be logical—we have our Measure to deal with education and skills, but not apprenticeships. We will have to deal with the legislative side of whatever needs developing in terms of apprenticeships via a piece of legislation that has been developed for England only.

9.40 a.m.

[20] The briefing is difficult to follow, because, as far as I can work out, the Apprenticeships Bill is in draft form and will evaporate or, perhaps I should say, be absorbed into another piece of legislation. That is opaque beyond normal standards, to put it kindly. What guarantees will you give that this committee and the Assembly as a whole will be able to scrutinise the Government's proposals in this area? Will it be like the Planning Bill, where the Welsh provisions were dropped in very late in the day when the legislative side of the Assembly did not have a chance to offer amendments, or will we discuss it and be able to offer amendments?

[21] Finally, do you think that this clumsy legislative approach reflects well on co-ordination between the Welsh Assembly Government and the UK Government? Those are my procedural questions.

[22] **Gareth Jones:** If I may say, this is a key area for us, Deputy Minister. We have all picked up on what is crucial to our legislative procedures and so on. I have a list of names before me, but do I take it that you wish to come in on this particular point, Kirsty?

[23] **Kirsty Williams:** Yes.

[24] **Gareth Jones:** So, only Kirsty wants to come in on that; other Members have separate points to make.

[25] **Kirsty Williams:** To follow up on what David has said, it is incredibly confusing to try to understand how we got to this situation and the consequences that may arise from it. I note from paragraph 18 of your paper that the First Minister has written to the UK

Government, outlining the areas in which you would like to see the legislation applied to Wales. When did the First Minister write to the UK Government and what response did you get from the UK Government on those requests? Potentially, it could respond by saying that it is not interested in what the First Minister has said. What would the consequences of that be? Have you had any indication from the UK Government that it is willing to accept the points that the First Minister has raised to date and the consequences of those, as David said, in terms of how we scrutinise this important piece of work as the legislation proceeds?

[26] **John Griffiths:** David started by raising the point that, if we have been able to make the progress that I briefly mentioned earlier and that is outlined in our paper to the committee on apprenticeship in increasing numbers, why do we now see the need to be part of this legislation? Our current powers to take forward apprenticeships in Wales are general legislative powers that are not specific to apprenticeships and are contractual arrangements. As I said, I think that we have been able to take things forward effectively on that basis and we have made some progress.

[27] However, this UK Bill sets matters in a different context and we are keen, given the integration between Wales and England economically, socially and in all other ways, to have a consistent approach for obvious reasons. That suits individuals and employers. So, we are now in a different situation. We are seeking mirror powers for Wales in those areas that we think are necessary to maintain that consistency, such as specification of standards for apprenticeship frameworks, certification and fees and, indeed, clarification of the apprenticeship contract. That is necessary, because there is some confusion and a feeling that apprenticeship contracts should be on an equal par with other contracts of employment, which, until now, has not been the situation. There is a feeling that some employers are worried about the greater rights that apprentices have and some compensation cases that have resulted. For those reasons, we think that we should be a part of this new proposed legislation. However, there are parts of it that are not relevant to our current policies and objectives and, obviously, for those reasons, we do not seek those powers and abilities. As David said, this Bill is to be subsumed, as we understand it, into the fourth session of the Learning and Skills Bill.

[28] **David Melding:** I was very confused by this. Did you say that it was to be subsumed into the fourth section of that Bill?

[29] **John Griffiths:** I said, 'the fourth session'.

[30] **David Melding:** I did not know that Bills had sessions.

[31] **John Griffiths:** Yes—

[32] **David Melding:** Do you mean 'committee session'?

[33] **John Griffiths:** General sessions, as I understand it. Legislative—

[34] **David Melding:** Will a lawyer tell me what 'session' means in terms of legislation?

[35] **Ms Morgan:** We are also confused by that—

[36] **Gareth Jones:** May we just pause briefly on that point? There is a reference in your paper, Minister, to the fourth session of the Learning and Skills Bill. Did you mean the Education and Skills Act, the fourth one, which will be passed? There is some confusion as to what we are actually talking about. I do not know whether Susan wants to point out this aspect, because she has looked at this.

[37] **Ms Morgan:** We are aware of the Education and Skills Bill, but we are not aware of a Learning and Skills Bill. We are aware, obviously, of the Learning and Skills Measure, but we are not aware of a Learning and Skills Bill. It is perhaps possible that the Education and Skills Bill is to change its name and that that just has not been brought into the arena.

[38] **David Melding:** Or, a simple error may have been made.

[39] **Gareth Jones:** Thank you, Susan. I will ask the clerk, Kathryn Jenkins, to come in on this point.

[40] **Dr Jenkins:** Following discussions with Westminster, we understand that the Welsh clauses will be subsumed into the fourth session of the Education and Skills Bill and, possibly, some confusion has arisen between the Education and Skills Bill at its fourth appearance during parliamentary procedure in Westminster and the Learning and Skills Measure here, in the Assembly. The terminology or nomenclature has been confused. That is my understanding, from the relevant select committee in Westminster.

[41] **Gareth Jones:** Thank you. What is your understanding of it, Deputy Minister?

[42] **John Griffiths:** When it is subsumed in that way, Chair, at that stage we would seek amendments, so that we could have mirror provisions for Wales on those matters that I mentioned. Matters would then proceed in the normal legislative way.

[43] **Gareth Jones:** Is that timely for us? Can we have an impact? A comparison was made earlier with the Planning Bill, I believe. Are you confident that we can make inroads and change things as much as you want, so that they are relevant to us in Wales at that stage?

[44] **John Griffiths:** What we can do, Chair, and what I am sure that you and other members of the committee would be keen to do, is make the relevant points, perhaps after today's committee meeting, to the UK Government. As an administration, we would certainly be very keen to support that. There is ample opportunity for the sort of scrutiny that you would wish to conduct.

[45] **David Melding:** Let us not be naive about the process. The Welsh Assembly Government lawyers are currently preparing the amendments that they want to see included in the England-and-Wales legislation. When is that work going to finish? Will those amendments then come to us for scrutiny before they are proposed for adoption in whatever the fourth session of that Bill is? Will we get to see those amendments in good time to offer suggestions for alterations before they go back or into the Westminster process?

[46] **John Griffiths:** That is very much what I would want to see, Chair. What I can do is say this morning that I will do my utmost to ensure that that does happen.

[47] **Kirsty Williams:** I come back to a point that I made earlier. When did the Welsh Assembly Government begin this process and become aware that there was potentially a problem here? When did the First Minister write on this? What indications do we have that the work that, as David said, will be under way at the moment will be acceptable? Would you agree that this is a far-from-satisfactory approach to making legislation, on what is a very important aspect of your policy to upskill people in Wales?

9.50 a.m.

[48] **John Griffiths:** It is a very important aspect of our policy and, as I said earlier, it is central to much that we seek to do. We have to ensure, along the lines that we have just discussed, that this committee has ample opportunity to input into this process and, as I said, I

will do all I can to ensure that that happens.

[49] On the date of the First Minister's letter, I have a copy of the letter, but it is not dated. Perhaps the officials can help.

[50] **Ms Morris:** I think that it was the beginning of August.

[51] **John Griffiths:** Shall we get back to you with the date?

[52] **Gareth Jones:** That is fine.

[53] **Kirsty Williams:** Have you had a response?

[54] **John Griffiths:** We have not had a full response as yet.

[55] **David Melding:** In fairness to the Deputy Minister, that is not his fault.

[56] **Kirsty Williams:** I know.

[57] **Janet Ryder:** If this Bill is coming forward in Westminster for English needs, that underlines how poor the devolution settlement is and the problems that will arise until we have full law-making powers vested here in the Assembly. In fairness to the Deputy Minister, he is responding to something that Westminster is doing, but, as he made clear in his opening remarks, Wales is making much better progress than England in this field. However, because of the devolution settlement, we could see that overturned. We are now forced into having to pursue our own legislation, the Learning and Skills Measure, as well as responding to this legislation. I found it complicated to have to read alongside it the file for tomorrow's first committee meeting on the Measure to see where the boundaries are and where the overlap will be.

[58] Does the Minister have any idea of the timescale? That would impact on the work of the committee, because it is right that this committee sees the amendments and can comment on them before they are submitted. A question mark hangs over what we are going to achieve this morning, when the purpose is to scrutinise the amendments being proposed for the Bill, if we cannot see what those amendments are. I am sure that we could have a profitable session scrutinising the Deputy Minister on the development of his apprenticeship policy, but scrutinising the amendments is what this committee should be doing. We have to look at that. We should also be making it clear that this situation has been forced on us by a Westminster Government that still does not recognise that devolution has happened, or the problems that it is creating by doing things in this way—it should just give us the powers to do this ourselves.

[59] **Gareth Jones:** I will try to sum up if I can, Deputy Minister. There is some confusion, obviously, and that might arise from the terminology. I find it difficult to really understand paragraph 4 of the paper. It is lucid from your point of view—it is my interpretation that is the issue. The paragraph states:

[60] 'These powers have been transferred to the Welsh Assembly Government and are exercisable concurrently by the Secretary of State and the Welsh Ministers.'

[61] It would be useful to know what that refers to—I think that it refers to a certain, specific set of powers and not the full powers, as it were.

[62] I would find it useful, in view of the discussion, for a parallel approach to be taken, so that we can compare what is happening under this Bill as it proceeds through Committee Stages and so on with where we are at in Wales. We could benefit from such a comparison.

David referred to the timetabling and to the amendments that we would wish to incorporate through your good self, John. We would wish to know where we are in respect of these key areas because, as Kirsty said, this is our opportunity to upgrade.

[63] We fully accept as a committee—at least, I would think so—that you have to be mindful of a comparison of standards and of cross-border working. We have no argument with that at all; it is vital that that is pursued. We are concerned, however, as to whether we will get our fair share, and we want to be supportive of you in this work, because it is key to the future of our young people and others in Wales. So, can you have a look at this issue, which has been discussed in some detail this morning, and come back with your interpretation? It might be beneficial for us to get a dual timetable as to what is happening in this regard.

[64] **John Griffiths:** I will make sure that that happens as quickly as possible, Chair.

[65] **Gareth Jones:** Diolch yn fawr. **Gareth Jones:** Thank you very much.

[66] **Christine Chapman:** Moving on to the practicalities of this, it is obviously hugely important, as other Members have mentioned, because there is such a demand to get people with the right skills. What additional action could we take to help small and medium-sized businesses? Are there any special things that we can do? Wales has many smaller businesses and I am not convinced that many of these companies, including companies that I have visited, have made the links with Careers Wales, for example, so that they know how to access support—or they may know how to access it but, for one reason or another, they are not accessing the support available. What further action could be taken to address these barriers?

[67] **David Melding:** On the SMEs, Chair, I would also like to ask whether or not there is any information about shared apprenticeships for the 2008-09 academic year, which, I believe, is one of the mechanisms by which you hope to involve the SMEs?

[68] **John Griffiths:** It is always a challenge to effectively engage with the small and medium-sized enterprises, for obvious reasons, because much of their time is spent on running their businesses and they tend to live and breathe the business. They often do not have a great deal of time to put their heads above the parapet, as it were, to look at the Government schemes that are available and how they might engage with the Government and the various agencies. So, it is always a challenge to reach the SMEs.

[69] I am glad that David mentioned the shared apprenticeship model, because it is a good example of Wales being innovative, imaginative and breaking new ground with regard to the apprenticeship agenda. We have been running pilot schemes that have involved a number of SMEs coming together to provide an apprenticeship between them. We have received positive feedback thus far from the employers and the apprentices involved. The arrangements seem to have suited both parties well.

[70] We also have plans to market apprenticeships more effectively to employers in general, but we are particularly trying to address the difficulty of reaching the SMEs. It will be part of our new agenda to expand, strengthen and further develop the success that we have already had around apprenticeships in Wales. I am not sure how familiar Dennis is with the pilot schemes on the shared apprenticeships; Barbara will be more familiar with it. Perhaps Barbara could give you more detail on the experience thus far.

[71] **Ms Morris:** There are two pilot schemes—one is in construction and the other is in engineering. The construction pilot scheme already has 24 apprentices recruited and it is recruiting a further 24. Twenty four employers have been engaged within the first year of that

pilot. The Sector Skills Council for Science, Engineering and Manufacturing Technologies pilot scheme has just been developed and implementation began in August. Nineteen companies are engaged in that pilot scheme, over 190 small and medium-sized enterprises have been contacted and 24 apprentices have been recruited. We will be evaluating the results of those pilot schemes to consider how we can take them further.

[72] **Andrew R.T. Davies:** On that and on Christine's point, you said that it is a challenge to engage with SMEs, and we all understand that—I employ staff in the agricultural field, and although you want to try to help with apprenticeships and training it is an additional cost. When costs are under pressure, one of the first things that you do is to offer less training, which affects the ability to offer apprenticeships. Can you give us some reassurance about how you are surmounting those challenges and engaging with the SME sector? It is all well and good to talk about the challenge, but can you give us a taste of what the Welsh Assembly Government is doing to engage proactively with business and offer these apprenticeships as we go forward?

10.00 a.m.

[73] **John Griffiths:** On that front, one of the major challenges is to mainstream apprenticeships in the general engagement between the Welsh Assembly Government, its agencies and employers. Our workforce development programme, which is key to that engagement, involves a team of human resource development advisers all over Wales engaging with companies, including small and medium-sized enterprises. So, we are tasking those advisers, through the workforce development programme, to ensure that all companies, including SMEs, understand the advantages of having apprentices and of continuing to train ever more effectively and strongly through any difficulties in the economic situation.

[74] **Andrew R.T. Davies:** Are those advisers going out there proactively or are they waiting for businesses to come to them?

[75] **John Griffiths:** They are proactive.

[76] **Andrew R.T. Davies:** I have never been approached about anything like that, to be honest with you.

[77] **John Griffiths:** I am not sure how things work in the agricultural sector, because there are some distinctive issues—

[78] **Andrew R.T. Davies:** Shut the colleges, basically. That is what you have done.

[79] **John Griffiths:** There are some distinctive issues there around responses. In general terms, those advisers are in an absolutely key position, because they engage on a day-to-day basis with the employers, and we are trying to strengthen that engagement and integrate it, so our economic development department is closely integrated with the education and skills department, and the advisers pull everything together. So, apprenticeships will be central to that push, and that is a good example of the sort of mainstreaming that will ensure that apprenticeships are in no way neglected.

[80] **Janet Ryder:** On apprenticeships, a number of businesses highlight the issue that they are not getting the skills that they need, and that, sometimes, even on apprenticeships, the skills that people are learning are college based, and do not transfer to the workplace. Sometimes, they are locked into pursuing the training course, but it is not training them to do the work that they will be faced with when they finish. If the Bill goes through in Westminster, it would, possibly, give you the power to draw up the apprenticeship schemes. I am not clear on this. You say that you will ask for further power in this field to draw up,

design and perhaps even to approve schemes that other people have drawn up for apprenticeships. What powers do you have now in that field and what powers would you ask for, if you did ask for powers in this Bill?

[81] **John Griffiths:** It is important to ensure that apprenticeship education and training is closely linked to the skills needed to do the job. There are some issues around technical certificates, for example, being obtained by individuals without any work experience in that field. In that case, they have not had an apprenticeship, but they are able to market themselves in particular trades. We want to move towards employed status for apprentices—we are quite a way along, but we want to go the full distance. That is because of the issues that you raised, Janet, namely the need to ensure that, after individuals have gone through apprenticeships, they have the skills that are needed to do the job. That is for their benefit, for the employers' benefit and for the benefit of those who use the services of the individual and the firm. So, that is the way that it must be and that is a route that we are clearly taking.

[82] The current situation is that, as Welsh Ministers, we have concurrent powers with the Secretary of State of the UK Government to specify standards for frameworks and around certification and fees. If the proposed legislation is passed, the new system would also enable us to have those concurrent powers. However, we are seeking Order-making powers so that we could specify, certificate and authorise bodies in that regard and authorise bodies to charge fees. I think it unlikely but it is possible that we may want to diverge from the frameworks in England. I think it unlikely for the reasons that I mentioned earlier. There are obvious advantages to having common standards and apprenticeship frameworks. Nonetheless, some way down the line, we might have concerns about standards that develop jointly between England and us. If we felt that the standards were not what they should be, we might want to set different standards in Wales. So, although unlikely, it is possible that we would need our own powers to specify standards to certificate and to charge fees, and the Order-making powers that we seek under this legislation would enable us to do that.

[83] **Janet Ryder:** I am quite happy that that is what you will ask for, but at what stage will you do so?

[84] **John Griffiths:** It will be part of the legislation, within the amendments that we would propose when it gets to the fourth—

[85] **Janet Ryder:** Therefore, will this committee see that amendment beforehand?

[86] **John Griffiths:** Yes.

[87] **Janet Ryder:** If that amendment were not incorporated, this Bill would not affect the powers that you have now, as it applies to England only. Wales is not mentioned. However, for some reason, other pieces of legislation that were passed for England only have filtered across and changed things here. That will not happen, will it?

[88] **John Griffiths:** If it were for England only in respect of any of its provisions, it would not affect the laws that currently exist in Wales.

[89] **Janet Ryder:** Will it not affect anything that is devolved?

[90] **John Griffiths:** At present, the Welsh Ministers and the Secretary of State can concurrently specify those standards at a UK level. Perhaps we would need to delve into the depths of constitutional law to give a final pronouncement on that front, Janet, but that would be my initial reaction.

[91] **Gareth Jones:** Christine, Kirsty and Andrew want to speak on these points. Please be

as brief as you can.

[92] **Christine Chapman:** To return to Andrew's point about how proactive the advisers are in this regard, I am still not convinced that enough effort is being made to find placements with employers. Bearing in mind that the construction industry has been in a downturn for quite a number of years—although, hopefully, it is now on the up—many businesses are just one-person, albeit usually one-man, businesses, and so, for whatever reason, are not taking on apprentices. You talk about shared apprentices and bigger organisations, but RCT Homes in my area got some 700 applications for just 10 apprenticeships. Therefore, there is a demand among young people, but there is also a mismatch with supply. I am still concerned that we need to see what is going on. As Assembly Members, we probably see the more extreme cases, and there are probably many people out there doing very well in apprenticeships, but I am concerned about those who are not obtaining apprenticeships for whatever reason. You talked about the numbers, John, but I would be interested to find out how they are distributed throughout Wales. What is going on in areas such as mine, the Heads of the Valleys areas? The picture is not as good there as it is in other parts of Wales. I would be interested to hear your comments on that.

10.10 a.m.

[93] **John Griffiths:** I said earlier that we want to move strongly towards employed status, and it is for that reason: if there are no places with employers, individual apprentices are sometimes left in very difficult situations. Obviously, they want to get jobs at the end of the day. We want to ensure that there is that employer engagement built in to the apprenticeship all of the time. Our work-based learning improvement plan has gone some way towards assisting that process, and we can specify in the contract terms that employed status be part of the apprenticeship arrangement. So, it is a key element and we want to be more demand-led. It is not just demand from employers; we must consider demand from individuals as well, on the apprenticeships that they want to undertake, and sometimes there is a mismatch. I am sure that it is different from one part of Wales to another, but whether it is dramatically different in any one part of Wales, Chris, I am not sure. I do not know whether we have done any work to regionalise the picture. Perhaps Barbara or Dennis can help in that respect.

[94] **Dr Gunning:** We can find out.

[95] **John Griffiths:** We can find out some information and feed that through.

[96] **Kirsty Williams:** You have said this morning that you will be seeking powers to raise fees, which is consistent with the statement in your skills and employment action plan that you need to make the most efficient use of the Assembly Government's budget—which I do not think any of us would argue with. You said that you will therefore look at whether the charging of fees is reasonable for certain types of apprenticeship places. How will your funding review work, what will your test of reasonableness be and, in your eyes, what type of apprenticeships might it be appropriate to charge fees for?

[97] **John Griffiths:** At the moment, we subsidise apprenticeship training heavily, as is entirely right and proper. Our general contributions policy will be aimed at ensuring a better balance between Government funding and employer and individual contributions. So, in general, we say that, where there is a particular reward to individuals and employers from higher level education and training—and perhaps it is more specific to particular firms—it is only right and proper that the employers and individuals make a greater contribution. Where the benefit is much more generic—to the Welsh economy and the skills scene in Wales—there is a much stronger case for the Government to cover the costs. That is the general picture, but we will listen closely to the responses that we get to the proposals before decisions are made. There is still much detail to be worked through with regard to those

general aims and objectives.

[98] Apprentices are part of that picture, but they represent the more generic part, to which I just referred, that is beneficial to the economy and individuals generally. Therefore, we are still formulating the policy, and we would want to approach fees for apprenticeships from that perspective, because they are much more about benefit to the economy and generic benefit to the skills scene across Wales rather than particular benefits to certain sectors or individuals.

[99] **Kirsty Williams:** Surely there is a benefit to any individual taking an apprenticeship; otherwise, why would they take the apprenticeship in the first place? If you want to promote take-up, you will have to sell apprenticeships by saying that there is a benefit to the individual learner.

[100] **John Griffiths:** Of course there is, but it is a matter of getting a balance.

[101] **Kirsty Williams:** There is also a benefit to everybody—

[102] **John Griffiths:** The distinction that we are trying to make in the policy is that some apprenticeships are of particular benefit to certain individuals or employers. We are trying to drive towards higher level apprenticeships—up to level 4, for example—and I hope that we will have success in that, but, at the moment, it is predominantly level 2 and 3, and is more about generic benefits to Wales and the Welsh economy.

[103] **Kirsty Williams:** Obviously, your thinking in this area is at an initial stage—

[104] **John Griffiths:** It is fair to say that it is in the early stages.

[105] **Kirsty Williams:** We grasped that from your answer. In order of magnitude, how many apprenticeships are you looking at starting to charge fees for? How does the educational element work? Can you charge for college attendance?

[106] **David Melding:** You cannot charge those aged under 19 years.

[107] **John Griffiths:** We would not want to do anything that cut across current arrangements, which rightly put the onus on the Welsh Assembly Government to subsidise apprenticeship training. We are not talking about anything revolutionary in that respect. Perhaps Dennis wants to comment.

[108] **Kirsty Williams:** The apprenticeship scheme in Wales runs across all ages, so I can understand how an older person might pay fees to attend an educational establishment, but how would it work for younger people pursuing an apprenticeship rather than studying for traditional academic qualifications?

[109] **John Griffiths:** Nothing that we propose would involve charges for those young people.

[110] **Kirsty Williams:** How do you think your charging regime will impact on the small businesses that we have been hearing about this morning, which perhaps need convincing that upskilling their staff and taking on apprenticeships is good for them, even if it might cost them more money? What kind of impact do you think that charges might have?

[111] **John Griffiths:** We are not talking about anything that would disincentivise employers from taking on apprentices. That would be totally contrary to our direction of travel and to the central aims of our proposals. At the moment, the scenario is that apprenticeships are heavily subsidised, and they will stay that way.

[112] **Gareth Jones:** Andrew and Janet want to come in on some of those points, but, in fairness, I will first invite Sandy. If we have an opportunity, I will then come back to Andrew and Janet.

[113] **David Melding:** I hope that I am on the list as well.

[114] **Gareth Jones:** You are, David.

[115] **David Melding:** I realise that Sandy has not yet spoken.

[116] **Sandy Mewies:** No, and I indicated that I wanted to speak some time ago, considerably earlier than others who have spoken several times.

[117] However, I have two questions. One of them has been answered up to a point, which is about small and medium-sized enterprises. We must be careful that we do not discourage them from providing apprenticeships, and you have answered that by saying that any way forward, as you see it, will not involve any disincentive for them. Two things concern me, however. First, you have talked about linking apprenticeships to the Welsh baccalaureate, and you have mentioned consistency. One of your aims might be consistency between England and Wales, but you will also want consistency across Wales. Where the Welsh baccalaureate is not provided—and it is not universal yet—what will happen to people who may want to but cannot access a course? I know that that is a specific question, but you have said that consistency is one of your aims.

[118] I raise my second point now because I am not sure, Chair, whether the Deputy Minister will be here when the CBI comes to give evidence.

[119] **Gareth Jones:** I do not think so.

[120] **Sandy Mewies:** I will put the question now in that case. The frameworks will be your own, but will you be encouraging employers to feed into the decision-making process? I hope that that will be the emphasis, rather than the Government making decisions about what it thinks employers want. If we are asking for their support and co-operation, it is terribly important that we give them some input. In the end, they will be the employers of the people who come out of the system.

[121] Those are my two questions. The only other point that I wanted to make was that there was a considerable discussion at the beginning about procedures. There was some confusion over the Measure and the Bill, and that had obviously been flagged up by the lawyers some time ago. When was that flagged up, because it might have been useful to raise it before the committee meeting, to make the Deputy Minister aware of it? We might have had a more meaningful discussion on the subject today had that been flagged up.

[122] **Gareth Jones:** Members received the note about a week ago. I do not think that there is anything sinister in that.

10.20 a.m.

[123] **Sandy Mewies:** I did not for a minute suggest that there was.

[124] **Gareth Jones:** Well, there is some sort of suggestion somewhere down the line; I may be misinterpreting it, and I apologise if that is the case. However, there is a lack of clarity here. We have discussed this, and I fully accept what the Minister has to say. I do not think that we should take anything further from that. It is simply the case that we need to know

exactly where we stand and what application the Minister is going to present here. That needs to be shared with the committee so that we all know what is ongoing. We understand that it is a difficult and complicated area, but it is essential that we all understand the procedures involved and what the likely outcome will be for us in Wales.

[125] **Sandy Mewies:** I am in total agreement with you. I just feel that if we could have had the information here, we could have gone on to discuss how it was going to fit in rather than having to wait for a paper to come back, which is what we will have to do now.

[126] **Gareth Jones:** The point is accepted—

[127] **David Melding:** Not by me. The Minister is here to be scrutinised, and to give notice of what we are going to scrutinise him on is a rather strange principle. This is our first meeting of the term.

[128] **Sandy Mewies:** It was a point of clarification really. You may want to make the point and say that there is some confusion, and that is fine. I just believe that it would have been more useful for us, as a committee, to move on on this. I would have liked to have moved on and to have discussed this—

[129] **David Melding:** I am not going to throw light punches; I can guarantee you of that.

[130] **Sandy Mewies:** Neither am I. That is a right that I reserve too. You may think that there is something sinister in what I am saying; there is not. I accept the need for scrutiny, but I just wish that I had had the opportunity to scrutinise today.

[131] **David Melding:** This is an important point, Chair, and if we are speaking at cross-purposes, I will withdraw what I am about to say, but I have never before been challenged by a Member that, somehow, one should give notice of the questions that one wishes to put in a scrutiny session. I must say that the implications of that are very strange. We have asked questions of the Minister, and, in fairness, he has said that he will come back to us. In my experience during my nine years as a Member that is how these proceedings have worked. We cannot wrap everything up in one one-hour meeting.

[132] **Sandy Mewies:** Not for a moment have you or any other member of the committee been challenged. What I asked had nothing to do with committee members. It is the simple question of whether it is the Measure or the Bill. That is all I wanted to know; no more than that. If you had known a week ago, we could have had it today.

[133] **Gareth Jones:** It is a very important issue, and I know that there was some kind of discussion and that references were made to this aspect behind the scenes by the officers involved. Therefore, I ask the clerk to clarify the situation and how we came to be in this particular situation.

[134] **Dr Jenkins:** To ensure that members of the committee had the best possible procedural advice, discussions took place between Assembly and Welsh Assembly Government lawyers. I have also had discussions with my opposite number on the select committee in Westminster that requested that we look at the Bill.

[135] **Sandy Mewies:** Thank you. I accept that completely, but there were questions that I wanted to ask on that today, and I will now have to wait for another paper.

[136] **Gareth Jones:** Yes, and in fairness to all of us, I was briefed yesterday morning and it was highlighted that, for want of a better word, there was a discrepancy. It was late in that sense, but a genuine effort has been made to try to get to grips with this. As we said earlier, it

may be a matter of the terminology; there is a great deal of variance. Now that we have this, I am quite happy. The Minister has been very genuine in his approach, and we look forward to getting that clarity and some kind of dual interpretation between Westminster and what is happening with the Welsh Assembly Government. In that way, we will be better placed to scrutinise in future meetings.

[137] **Sandy Mewies:** So, will we have that quite soon so that this does not drag on?

[138] **Gareth Jones:** We are making a direct appeal to the Minister now, because he understands the sense of frustration that we all share as Members.

[139] **Sandy Mewies:** I did ask another question too.

[140] **Gareth Jones:** Yes, perhaps the Minister can now answer your other question.

[141] **John Griffiths:** It is vital that employer demand drives this. We have heard an awful lot about employer demand in general, and rightly so, with regard to where we are heading, and it applies to apprenticeships too. In seeking to greatly increase the number of apprenticeships, one of the difficulties will be ensuring that there are jobs for those apprentices when they complete their training. We can do that only if employers are setting the agenda. We are ensuring that there is employed status for the apprentices and we are responding to genuine employer demand so that they will remain in employment at the end of their apprenticeships. That is vital.

[142] Sector skills councils and sector bodies are closely involved with the apprenticeship programme in Wales, which is important. The sector skills councils are going through a re-licensing process at the moment. When that is complete, they will have much greater capacity and will be much more fit for purpose. They will be better able to understand employer demand. We will then be able to respond to the information that they provide to us and try to ensure that the apprenticeship programme is taken forward in that regard with that information and responds to genuine demand.

[143] As we said earlier, Sandy, it will be important to ensure that SMEs are factored into this and that they are in no way neglected, because they make up a big part of the economy in Wales. That will be central to this. It is a big challenge for the sector skills councils, because, as we said earlier, it is much easier to engage with larger employers; it is far more difficult, for obvious reasons, to engage with SMEs. However, they will be tasked with that, too.

[144] **Sandy Mewies:** I would like to ask one question, which may be for the future. You talk about equalisation and consistency, and I am aware—as others here might be—that some apprenticeship schemes are run in England but not in Wales. The print industry is an example of that. When we get to where we want to be on this, will there be some sort of investigation or work undertaken to ensure that young people, or older people, in Wales can take advantage of those same opportunities for apprenticeships? Will any work be done on that?

[145] **John Griffiths:** There are around 180 apprenticeship frameworks. The provision in Wales will vary from one to another. In general, wherever possible, we want people of all ages to be able to do their apprenticeship training in Wales. However, if we are talking about being truly related to demand, as we mentioned earlier, we must understand that, where there is little demand, we face cost-effectiveness questions for the training providers and the question of the degree to which the public subsidy extends. So, there will always be room for discussion around the issue, Sandy, but, in general, we want to provide as much training as possible in Wales.

[146] I am conscious that I did not answer your earlier question on the Welsh bacallaureate.

We want to roll this out across Wales. If we can do that, we will have the consistency that you mentioned. The apprenticeship frameworks are made up of credits; we would very much like credits obtained by pursuing the Welsh baccalaureate to count towards the apprenticeship framework. We think that that makes very good sense. It is useful for individuals to do that, to get the extra benefit from their education. The fact that we see that alignment between the Welsh baccalaureate and apprenticeship as important and beneficial makes the roll-out of the Welsh baccalaureate even more important. However, we are very committed to it outside any links with apprenticeships.

[147] **Gareth Jones:** I am very conscious of the time, and I am seeking very succinct questions and answers. Andrew is first, then Janet and David, if possible.

[148] **Andrew R.T. Davies:** I would like to ask two questions. The first is about disability and people with disabilities being able to access apprenticeships. When Hensol Hospital used to locate patients in the locality, my late father would engage with this process. Sadly, this no longer seems to go on in many spheres of apprenticeships.

10.30 a.m.

[149] How do you see your ability to engage with the disabled community, and with employers, to offer that scope for people with disabilities to get meaningful employment by having the accreditation of a meaningful apprenticeship? Going on from that, in a few years' time, looking back to now, to what extent do you expect to be able to say that you have expanded that opportunity—what sort of base would you be looking at, from now to perhaps two or three years' time? How many more apprenticeships do you hope will be out there for people with disabilities?

[150] **John Griffiths:** I do not believe that we would ever be talking about a particular number of apprenticeships as being reserved for disabled people or looking at some sort of quota basis. The whole thrust of Government policy—and I believe that it is the right thrust—is about integrating disabled people into the general workforce. Some of the recent changes that we have seen, with Remploy for example, are very much about that. There has been a reduction in the number of people directly employed by Remploy in its factories and a big increase in the service that Remploy provides to get disabled people into mainstream employment. I believe that that is the right approach for all sorts of good reasons.

[151] Therefore, what we want to see is genuine equality of opportunity for disabled people to become apprentices and obtain employment in general. The single equality body is important in this regard, because that is part of its remit, aims and objectives. Therefore, we have to be watchful on the equal opportunities front that disabled people are getting the opportunities that they should have in general apprenticeships—and across the board with education, training and employment. If there is any sense in which the Department for Children, Education, Lifelong Learning and Skills could change its policies to better enable disabled people to access those equal opportunities, we would be receptive to any ideas and new thinking. However, we very much want to go forward on the generality of policy, which is rightly the major thrust of public policy in this area.

[152] **Janet Ryder:** Once this Bill, in whatever shape, goes through in England, and perhaps affects only England, we will be working to two regimes—one in England and one in Wales—and yet there will be only one sector skills council for a sector. How satisfied are you that Wales's unique interests will be heard loudly and that they will be taken account of on those sector skills councils? How closely will the sector skills councils that are being re-licensed relate to Wales only and when will this licensing process finish? I believe that we have heard you give that answer the past three times you have come to this committee to talk about the sector skills councils.

[153] **John Griffiths:** The UK Commission for Employment and Skills is fairly new and it is tasked with taking forward the re-licensing process, which it is doing currently.

[154] **Janet Ryder:** It is taking forward the re-licensing process of the sector skills councils, not the apprenticeships?

[155] **John Griffiths:** It is taking forward the re-licensing of the sector skills councils, but those councils have a strong role to play in apprenticeships, as I mentioned earlier. The re-licensing process is about the sector skills councils. It is about making them much more fit for purpose; they will have a big job to do, and we must ensure that they are up to doing that job. However, the Wales Employment and Skills Board is closely involved in this. It is represented on a working group under the UK commission, which again is tasked with taking forward the re-licensing process. Therefore, I am pretty confident that Wales is keyed into this process. It is obvious to state, but we have said it anyway, that the re-licensing process must ensure that every sector skills council is fit for purpose across the UK, including Wales. It has been patchy up to now in terms of geographical areas and different sectors, but the re-licensing process should drive much greater quality and consistency across the UK.

[156] **Janet Ryder:** When will it be finished?

[157] **John Griffiths:** I am not sure; unless any of the officials know, perhaps we can get back to you with that information, Chair.

[158] **David Melding:** I would like to ask what exactly you mean when you talk about linking modern apprenticeships with the Welsh baccalaureate. We are used to people saying that they aspire to parity of esteem between vocational and more academic qualifications. However, I am not quite sure how an apprenticeship can be integrated into the Welsh baccalaureate. What does that mean in practice, because they are not integrated? They cannot be the same because, otherwise, that would mean that they would not be distinct. So, is it a common core that you are delivering? What does that mean?

[159] **John Griffiths:** It is just about opening up choice and flexibility. People will be able to do apprenticeships without doing the Welsh baccalaureate. However, people doing the Welsh baccalaureate will get credits that can count towards apprenticeship frameworks. So, it is just about adding value to doing the Welsh baccalaureate and giving individuals more flexibility and choice.

[160] **Gareth Jones:** Diolch, Weinidog, am eich atebion; diolch i'r tri ohonoch. Diolch hefyd am drafodaeth fywiog a lwyddodd i fy nghadw'n effro. Dywedasoeh yn y drafodaeth eich bod yn edrych am ddrych o'r datblygiad yn Lloegr. Byddwn yn ddiolchgar o dderbyn yr wybodaeth honno y bu i chi ei haddo i ni. Yn y cyfamser, diolch eto i'r tri ohonoch am ddod atom.

Gareth Jones: Thank you, Minister, for your answers; thank you to the three of you. I also thank you for a lively discussion, which succeeded in keeping me on my toes. You said in the discussion that you are looking for a mirror of the development in England. We would be grateful to receive that information that you promised us. In the meantime, I thank the three of you again for attending.

[161] Symudwn ymlaen at ail ran eitem 2, sef y Mesur Prentisiaethau drafft. Yr ydym eisoes yn gwybod y cefndir i hwn ac yr ydym yn ddiolchgar i Gydffederasiwn Diwydiant Prydain am ei ymateb ac am ei bapur yr ydym eisoes wedi ei dderbyn a'i ddarllen.

We will now move on the second part of item 2, namely the draft Apprenticeships Bill. We already know the background to this and we are grateful to the Confederation of British Industry for its response and its paper, which we have already received and read.

[162] Felly, fy mhleser y bore yma yw croesawu David Rosser, cyfarwyddwr CBI Cymru, a Leighton Jenkins, cyfarwyddwr cynorthwyol polisi'r CBI. Yr ydym yn ddiolchgar i chi am eich presenoldeb ac, yn unol â'r drefn yr ydych yn gyfarwydd â hi erbyn hyn, David, gofynnaf am gyflwyniad byr o tua phump i 10 munud ac wedyn cawn y cyfle i ofyn cwestiynau.

Therefore, it is my pleasure this morning to welcome David Rosser, director of CBI Wales, and Leighton Jenkins, assistant policy director of the CBI. We are grateful to you for attending and in accordance with procedure, with which you are familiar by now, David, I will ask you to give a brief presentation of around five to 10 minutes and we will then have the opportunity to ask questions.

[163] **Mr Rosser:** Thank you very much for the invitation to appear today. I will make a few brief introductory remarks. I am delighted to say that after a number of years during which apprenticeships fell out of fashion—and I think that many of us regretted that—we have now seen quite a strong comeback in industry, typically, but not exclusively, in the manufacturing industry. Many more companies now take on apprentices, often in small numbers, but that trend is growing and we are pleased that it is being recognised and reflected in the draft Apprenticeships Bill going through Parliament.

[164] It is right and proper that apprenticeship schemes that receive public funding support should operate to minimum standards and that Government should lay down what those are. As ever, there is a balance to be struck between the rigidity of the application of these standards and the flexibility and responsiveness to individual employer needs to ensure that the apprenticeships are relevant to the individual and to often rapidly changing company requirements.

10.40 a.m.

[165] Many employers have been frustrated so far by the inability to accurately map the needs of their businesses—particularly when technology changes quite rapidly—onto existing set apprenticeship frameworks. We hope that the flexibility that should result from the provisions of the Bill will make a real difference there.

[166] Finally, while we support the Assembly Government's powers to direct apprenticeships in Wales, we also strongly support the statement made by the Minister in his paper regarding the need for conformity, wherever possible, on apprenticeship standards across the border between England and Wales to benefit individual companies that are operating cross-border and to facilitate collaboration between companies in an economic area. Some of those companies may be in Wales and some may be in England, but they may wish to come together to draft some joint apprenticeship programmes. I think that they are probably sufficient as my introductory remarks and I am happy to take your questions.

[167] **Gareth Jones:** Thank you, David. We will start with Janet.

[168] **Janet Ryder:** I will start by taking you back to the discussion that we had at the beginning of our session with the Minister about the fact that this is an England-only Bill. No amendments have been proposed by the Minister as yet, although we have discussed possible draft amendments that the Minister might propose. Therefore, if it remains as it stands at the moment, as an England-only Bill, what impact do you assess that it will have on Wales?

[169] **Mr Rosser:** I think that we have been struggling a little with this. We can certainly understand Assembly Members' frustrations at the process that has been adopted on this. I am speaking as a representative of the CBI, and we are primarily interested in how apprenticeship schemes work for the employer and for the individuals. We believe that the Assembly Government already has quite significant powers to direct apprenticeships, and the powers

that will accrue to the Assembly Government from the passing of this Bill, if it is passed, seem to us to be quite appropriate as they should give the Assembly more flexibility again to introduce and restructure apprenticeships in Wales. We are less concerned by the constitutional implications of the process.

[170] **Janet Ryder:** As the Minister outlined, it is an England-only Bill. He has made it quite clear that, unless he proposes amendments at some point—hopefully he will do so soon—nothing will change in Wales.

[171] **Mr Rosser:** I think that we assumed that the powers relating to the provisions of the Bill would be granted to the Assembly to be enacted here. Were we wrong in that?

[172] **Gareth Jones:** I will come in on that. There is a lack of clarity on this point and we are awaiting clarification. That is the best that I can come up with at this stage. It is a very important issue because, like you, we would have thought that we would have acquired those powers. It appears to be England-only, but the Minister referred to a mirror development in Wales. We are not quite sure, at this stage, whether that requires specific action on behalf of the Government here or whether it will just happen naturally. We are certainly not clear in our own minds on that issue.

[173] **Mr Rosser:** I think that the best that we can say is that we support the provisions of the draft Apprenticeships Bill, as they will apply in England, and the flexibility that they will offer and that we hope that they will apply in Wales too. We hope that the Minister will take whatever action is needed to secure them.

[174] **Janet Ryder:** I have another question on the paper that the CBI submitted. In the first part of your paper, in paragraph 21, it says that,

[175] ‘the careers advice clause as currently drafted concentrates on careers guidance being in “the best interests of the pupils”, rather than ensuring more comprehensively that all young people are aware of the benefits of an apprenticeship’.

[176] Are they compatible? Does it have to be one or the other? I would have thought that careers advice should be in the best interests of a pupil. Can you just explain what you mean by that?

[177] **Mr Rosser:** Yes. We think that this is one of the areas of the Bill that probably needs to be strengthened. We are concerned that the potential of apprenticeships and the apprenticeship route is something that is not often made available, particularly to the most able pupils in a school environment. We want to ensure that all pupils are made aware of the opportunities that good quality apprenticeships provide; doing that would be in pupils’ best interests. It is a matter of re-emphasising that what is in pupils’ best interests is open to interpretation, according to who is giving the advice. We would like to ensure that all the opportunities are made available to all pupils.

[178] **Janet Ryder:** You are therefore of the opinion at the moment that, perhaps, you could say, careers advice skews those pupils perceived as more academic down an academic route only and that careers advisers do not offer the whole range of choices.

[179] **Mr Rosser:** I think that many of our members would feel that, yes.

[180] **Christine Chapman:** Before I proceed, I had better declare an interest as I am a member of the Institute of Career Guidance—just so there will not be any problems.

[181] I was slightly confused about this one, because there is a sort of ethical code with

careers guidance. Careers advisers are not sector skills councils; they are there, as Janet suggested, to offer advice that is in pupils' best interests. What evidence do you have to show that more able pupils are not being told about certain types of careers as opposed to it being the case that they are being told about those careers and are choosing not to go down that road?

[182] **Mr Jenkins:** This amendment comes from the English perspective. When looking at the Bill, it is the CBI's intention to suggest that it be amended to include apprenticeships. At the moment, it is clear from consulting with our members—and we can get you the evidence from our members—that there is a general feeling, a perception, on the part of those who deal with apprenticeships in large companies that there is a skew, that there is a differentiation between the quality of pupils who are offered choices with regard to apprenticeships. By amending the clause, you would ensure that all pupils are offered the choice. So, I do not think that it is about infringing on the rights of careers advisers; if we are going to put apprenticeships on a statutory footing, it is about ensuring that an option is delivered to the pupil to consider apprenticeships. That reduces the dichotomy. We certainly have the evidence to back that up.

[183] **Christine Chapman:** I wish to pursue that point, Leighton. You said 'perception' as opposed to 'evidence'. Perhaps you could arrange to send us some information, as I would be keen to know numbers and perhaps case studies of what we used to call 'more academic pupils' who are not being told about those types of careers.

[184] **Mr Jenkins:** Okay.

[185] **Christine Chapman:** Linked to that, paragraph 50 of the CBI's response to the 'Skills That Work for Wales' document states that you are concerned that

[186] 'there are a few companies whose business or working environment is not conducive to work experience.'

[187] You said that

[188] 'the CBI would oppose attempts to make work experience a requirement of business support assistance.'

[189] I would suggest that, sometimes, if employers want more young people, be they more academic, as we would call them, or not, they should be encouraged much more to offer work experience so that the young people can see for themselves what it is about.

[190] **Mr Jenkins:** You are exactly right. It is about encouragement and not compliance—it is not about forcing anyone. There have been attempts and statements in former Welsh Assembly Government consultations to the effect that there would be a move to an obligation. SMEs were mentioned earlier; it would be disadvantageous for small SMEs that are just starting up, possibly in technical and risk-based environments, to be required to offer that. That is where we are coming from on this issue. I do not think that it is an attempt to get companies out of anything or not to pursue this obligation, because it is in their interests to do so.

[191] **Sandy Mewies:** David, you made the point that whatever route we go down, and whatever the processes, the end result should be consistent. I agree with you; it ought to be consistent, including between England and Wales. You also made a point about the possibility of co-operation in some areas between England and Wales, and that is a point that I made earlier, in that some apprenticeships are available in England that are not available in Wales, and it is not just a question of people having to travel, but of them not being offered the

apprenticeships, despite the fact that the need may exist here.

10.50 a.m.

[192] I mentioned the print industry; I do not think that we can argue that the print industry should not be as viable in Wales as it is in England. What opportunities do you see arising from the new frameworks?

[193] I would be surprised if the CBI did not mention over-regulation somewhere, but you have a survey that shows that one of the problems is that people feel that they are over-inspected and over-assessed. I get the impression that you feel that when companies are running schemes, it might be easier or lead to a better result if they are allowed to get on with it. However, the danger is that if you do not look at and test what is going on, the end result might not be what is required. You may be right about the need for less checking up on what is going on, but how then could employers guarantee that the end result is of the quality that you are looking for?

[194] **Mr Rosser:** I think that there are two distinct questions here. On the issue of cross-border consistency, I will give a couple of examples. Wales and West Utilities offers engineering and technical apprenticeships, and it is responsible for running and renewing the gas pipeline across south Wales and the south-west of England. It offers apprenticeships in both areas, and it is currently finding that it can offer apprenticeships in Wales more easily than in the south-west. The channels to get support have been easier, and there appears to have been rather less bureaucracy encountered in Wales, so consistency can also mean taking the best from Wales and ensuring that it is applied in England.

[195] Another example is that one of our members, UPM, which runs a paper mill at Shotton in Deeside, is currently working with other companies in the paper industry on how it can provide more specialised training and apprenticeship standards, working with the sector skills council. There are other paper companies in north Wales, but there are also paper companies in the north-west of England. If we were to have a dramatically different system in Wales, with different requirements and different funding streams, that type of initiative might be more difficult to implement. Those examples are just to try to illustrate the point on consistency.

[196] On over-regulation, we would not suggest that there should not be any regulation. In my introductory remarks, I said that when the public purse is funding apprenticeships it needs to be able to specify what is delivered. We are keen as an organisation on risk-based regulation, rather than a standard form of regulation and monitoring across all companies irrespective of sector, size or track record. Some companies will have strong systems and a strong track record. Companies that pass initial inspections might be deemed to require fewer inspections in the future. So, those are probably areas in which you could reduce bureaucracy without sacrificing standards.

[197] **Kirsty Williams:** You will be aware that the Deputy Minister is seeking powers via this legislation to introduce fees for apprenticeships in Wales, and to set those fees. Although you do not refer to employer contributions in your response to the Bill, your previous response to 'Skills That Work for Wales' sets out your understanding of the need for employers to contribute, but it also points to the fact that small and medium-sized enterprises may be put off investing in staff if the costs associated with supporting apprenticeships become too great. Can you elaborate on your concerns that any fee regime may or may not impact on the number of employers taking on apprentices? Given that we also sometimes have disappointing levels of completion, do you think that a fees regime would aid or hinder drives to ensure that more people who undertake apprenticeships complete them?

[198] **Mr Rosser:** We heard the Deputy Minister's response to those remarks, and we were encouraged by his statement that he does not envisage doing anything that would act as a disincentive to employers. Employers are used to the principle of paying something to get something, and employers already invest more in the training of their staff than the public sector does and it is right and appropriate that they do so. If a new fees regime increased the costs for employers significantly, they would want to see a significantly enhanced service and product at the end of it, but employers, like individuals, are generally economically rational organisations. The return from taking on apprentices and bringing in apprenticeship schemes can be long term. It can be uncertain, depending on the individuals who you happen to take on and how well they develop. If the cost of taking on apprentices and bringing in apprenticeship schemes increases significantly, it is only logical that that would act as an incentive for employers to go out into the labour market and to try to take the skills that have already been developed by someone else. So, there is a balance to be struck. We have not had sight of anything or any discussions with the Assembly Government or, indeed, the Government in England, on what a fees policy might look like. It is probably best to leave it at those general comments at this stage, but we will look at this more closely when that policy is developed.

[199] **David Melding:** I would like to pursue the point about encouraging SMEs, in particular, to get involved in apprenticeships. We also know that, as far as our economy is concerned, that sector offers the greatest chance of increasing our general wealth levels. In the European programmes, it is a major objective, so it is clearly where Government policy wants to go, and I share that aspiration. Have you had any experience yet of how shared apprenticeships are likely to work, which is one area that is being considered? I know that it is early, but if you have picked up any reaction to those pilot schemes, it would be useful to know that, because it seems to be an innovative approach. We were all interested in what the Deputy Minister and officials said earlier.

[200] My second question pursues the point about your fears that the danger of too structured an approach is that the training can become less relevant. With the general shift that we had to the sector skills councils, which are not that common in Europe, although they do exist in other countries, some commentators said that there was a danger of replicating the Italian model where there is still a textiles sector skills council and so on and it is back in the 1950s. I know that that is an extreme example, but how do we keep the training element relevant? We have heard the Deputy Minister say that they want to sign off these frameworks, and intervene if they need to, and there needs to be rigour in the system, but, from the employers' point of view, would it be better to get general training objectives rather than having spelt out, from A to Z, all the tiny little components that have to be in it? I suppose that I am asking how it should look.

[201] **Mr Rosser:** I will take the second point, and perhaps Leighton can answer your question on SMEs. You are right; it is about making sure that the general principles of a good apprenticeship scheme are clearly set out by Government and that employers buy into them. We have had comments from the likes of Toyota in north Wales and EADS Defence and Security Systems UK in Newport about the difficulties of getting flexibility and in changing frameworks to adapt to changing technology. EADS is involved in secure communications and Toyota builds engines; I am struggling to see that it is the role of a Minister or the civil servants in the Minister's department to specify to companies such as those precisely what technologies or skills should be covered by their apprenticeship schemes.

11.00 a.m.

[202] This probably goes back to my previous comment about where you have good-quality companies that have a track record of delivering good-quality training. There must be an element of trust to let them decide what is relevant for their company and their industry and to trust them to equip individuals going through apprenticeship schemes with skills that will be

pertinent for the industry of today and tomorrow, not the industry of 10 years ago. So, we must let employers determine a lot of this, within rigorous blueprints. I hope that that helps.

[203] **Mr Jenkins:** On SMEs, I think that you are right in what you said about flexibility. If there is one message that we would give today, it would be around the flexibility of the framework. Our experience in England has been that it has taken months for companies to amend the framework. The problem is not so much around amending the framework itself, but getting approval for those amendments. I do not think that we would want to move to a situation in Wales where small or large companies were delayed in trying to respond to new research and development demands or to new technology requirements; I think that it is around that where some of the reasoning for this Bill has arisen in England. So, I think that that principle that applies to large companies applies to SMEs writ large.

[204] We would welcome shared apprenticeships; they are a good idea. We and the larger companies that we have spoken to in Wales are interested in the idea of training up additional apprentices for SMEs or for others. Why not? There has been no resistance to that; the option to pursue that has been welcomed. However, in terms of SMEs, there is a need to change the blueprint and framework to their requirements, without the significant administrative delay that often arises. I do not know whether or not that answers your question.

[205] **David Melding:** I would just like to follow up on that, although this is not just about SMEs. The Government's policy is to focus first on level 2, with level 3. Driving up to level 4, although we did not really probe the Deputy Minister on this, is probably the top end, I think, rather than a common standard. In your view, should it be more of a common aim that most apprenticeships eventually get to that sort of level, or do you think that it is important to have the range? The range from level 2 to 4 is vast, is it not? Do you have any views on that?

[206] **Mr Jenkins:** As the Deputy Minister's paper stated, there is a shift in England towards being able to offer every individual aged 16 to 18 an apprenticeship. I do not think that anything that we should do in Wales should make apprenticeships more elitist. We need to offer what the individual needs and train them up.

[207] As apprenticeships have bedded in, although there is no doubt a need for level 4, there is still great value for companies, if they have a flexible framework that would allow them to make apprenticeships even more relevant, to have apprenticeships to level 2 to 3, and I think that they would welcome that.

[208] **David Melding:** So the range is useful?

[209] **Mr Jenkins:** Yes.

[210] **Mr Rosser:** The range is useful, particularly if we are going to ensure that we are offering all pupils apprenticeships, including those who might traditionally have gone down the academic route. In that case, level 4 would be particularly useful.

[211] **Gareth Jones:** Christine, I think that your point was covered. Andrew is next.

[212] **Andrew R.T. Davies:** Thank you for your evidence today, gentlemen. Before I was elected as a Member, whenever I heard 'SME', I always thought of SMA, the skimmed milk powder—I like it; you have to open the lid to see what is inside.

[213] How do you find the engagement levels of the Welsh Assembly Government with business? You find fine words in this institution, rather than dealing with the practicalities. I have asked the Deputy Minister about apprenticeships and how his agencies are engaging with businesses to try to make apprenticeships available. You touched on the fact that in

England there is an opportunity to offer apprenticeships to all 16 to 19-year-olds, but, practically speaking, do we have that broad base of business to offer those apprenticeships to people? The business base is far smaller in Wales. It is wonderful having all of these sound bites, frameworks and Bills that are going through, but what is the ability of Welsh business to engage with apprenticeships and, moving on from that, what is the ability of people with disabilities to access apprenticeships?

[214] We have all heard of equal opportunities, and I fully subscribe to that, but the reality is that businesses are sometimes averse to offering such opportunities. So, could you give us a taste of what business is doing in that regard? In your paper, you highlight the Government's ambitious 80 per cent employment target, and say that we would have to employ 153,000 more people to hit that target, but we currently have only 158,000 people working in manufacturing in Wales. That is the level of aspiration, but what people want is delivery, is it not?

[215] **Mr Rosser:** Okay. What is the ability of Welsh business to offer apprenticeships? I am not quite sure what kind of parameters to use in answering that. I would probably come back to a comment that David Melding made earlier, that SMEs are where it is at. Actually, large and medium-sized businesses have far more capacity and ability to deliver apprenticeships, particularly on this agenda. We should not downplay the importance of large and medium-sized businesses to the Welsh economy and to increasing our skills levels.

[216] I do not have numbers and statistics to answer your question, so I guess I am about to give you anecdotal evidence.

[217] **Andrew R.T. Davies:** Have you got a feel for our ability to fulfil the ambition to offer these apprenticeships?

[218] **Mr Rosser:** I am certainly having far more discussions with companies offering apprenticeships now than would have been the case when I started in this job, seven or eight years ago. I am confident that we are on an upward trend. I meet companies that are overwhelmed with applications for their apprenticeships, and Airbus is probably the most oft-quoted example. Equally, I meet companies that struggle to get the quality of individuals to take up the apprenticeship places that they offer. That comes back to our original comment about ensuring that all pupils have the opportunity to do this. So, I am confident that we are on an upward trend, and any company that is in manufacturing, processing or a technical environment and has a couple of hundred or more employees is probably re-introducing, or building up, or thinking about apprenticeships. I mentioned Wales and West Utilities as an example. Apprenticeships are becoming far more common.

[219] However, the challenge in Wales is with the SME base, and, if we are to make a step change, we need to help those companies to tackle apprenticeships. I am a little blind, I must say, on the extent to which that is happening at the moment, and on the extent to which SMEs are able to take on apprentices, so I am not sure that I can answer that question.

[220] On the engagement of the Welsh Assembly Government on this agenda, I will give the example of Wales and West Utilities again. It found the system in Wales easier to use than that in south-west England, but it took the company a long time to find out how to enter that system in Wales. The Learning and Skills Council was an obvious place to go in England, but it took the company a while to work out how to enter the Welsh system. Once it did, and it had hooked up with a good-quality private training provider that understood the system and was able to help, it worked very smoothly.

[221] **Andrew R.T. Davies:** So, the facilitators that the Deputy Minister talked about earlier are obviously not doing their job.

[222] **Mr Rosser:** This is anecdotal evidence based on a small number of companies, but it might be informative. The changes that we have had in Wales—moving from Training and Enterprise Councils through to Education and Learning Wales and then to the in-house arrangements at the Welsh Assembly Government—have perhaps made it unclear for some companies where they should go to enter the system.

[223] **David Melding:** Getting through the front door is a significant step, is it not?

[224] **Mr Rosser:** Yes. Larger companies might be more inclined to persevere than smaller SMEs would be, which might be more pressed for time.

[225] **Andrew R.T. Davies:** My other point was on disability rights.

[226] **Mr Rosser:** I am not sure whether I have any meaningful evidence to give you on that, I am afraid—although that may answer your question. Sorry, but I cannot recall the last time I had a conversation with a company on that issue.

[227] **Andrew R.T. Davies:** That speaks for itself. Thanks.

11.10 a.m.

[228] **Gareth Jones:** I believe that that was the last question. On behalf of the committee, I thank you both for attending and sharing with us your expertise and your outlook on this important Bill making its way through Westminster. Hopefully, we will come to understand fully what it means for us in Wales and what we shall end up with. I can assure you that your contribution is much appreciated and will help us in our deliberations. Diolch.

[229] Symudwn ymlaen at y mater olaf. Ni fyddwn yn hir yn delio ag ef. Gwelwch fod dau bapur i'w nodi, papur 3 a 4, sef y Gorchymyn cymhwysedd deddfwriaethol drafft ac ymgynghoriad ysgrifenedig. Dyma gyfle i Aelodau gymeradwyo'r Gorchymyn cymhwysedd deddfwriaethol drafft a'r trefniadau ar gyfer yr ymgynghoriad ysgrifenedig. Rhaid inni fynd drwy broses ymgynghori, ac mae'r cwestiynau wedi'u cynnwys yn y papur. Os ydych yn fodlon â nhw, byddwn yn trefnu cyfres o gyfarfodydd yn nes ymlaen yn y tymor i graffu ar dystiolaeth ysgrifenedig a llafar rhanddeiliaid allweddol y maes hwn er mwyn sicrhau y bydd y Gorchymyn terfynol a osodir gerbron y Cynulliad mor gadarn â phosibl. Felly, cymerwch gyfle, os gwelwch yn dda, i gael golwg ar y papur cwestiynau, fel ein bod yn gytûn mai'r cwestiynau penodol hyn fydd yn cael eu gofyn i fwydo'r broses ymgynghori. A ydych yn fodlon iddynt gael eu hanfon allan? A yw pawb yn gytûn? Gwelaf eich bod.

We will turn now to the final matter we have to deal with. This will not take long. You will see that there are two papers to note, paper 3 and 4, namely the draft legislative competence Order and the written consultation. This is an opportunity for Members to approve the draft legislative competence Order and the arrangements for the written consultation. We will have to go through a consultation process, and the questions are noted in the paper. If you are satisfied with them, we will arrange a series of meetings later in the term to scrutinise the written and oral evidence of the key stakeholders involved in this area, for us to be sure that the final Order that is laid before the Assembly is as robust as possible. So, please take the opportunity to look at the questions paper, so that we can all agree on the specific questions that will be asked, to feed into the consultation process. Are you all happy for them to be sent out? Is everyone in agreement? I see that you are.

[230] Cyn dod â'r cyfarfod i ben, fe'ch atgoffaf y bydd cyfarfod yr wythnos nesaf yn

Before closing the meeting, I remind Members that the meeting will start at 9.15

cychwyn am 9.15 a.m.. Ymddiheuraf am y newid hwnnw. Bydd y cyfarfod hwnnw yn rhedeg tan 11.15 a.m., pan fyddwn yn trafod cytundeb llwyth gwaith athrawon. Yr wythnos wedyn, byddwn yn cyfarfod yn y Barri am 9.30 a.m. hyd 11.30 a.m.. Dyna ddiwedd ein cyfarfod. Diolch yn fawr.

a.m. next week. I apologise for that change. The meeting will run until 11.15 a.m., when we will be discussing the teachers' workload agreement. The following week, our meeting will be held in Barry from 9.30 a.m. until 11.30 a.m.. That brings our meeting to a close. Thank you very much.

*Daeth y cyfarfod i ben am 11.12 a.m.
The meeting ended at 11.12 a.m.*