



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Enterprise and Learning Committee

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Enterprise and Learning Committee

Interim Response to the Innovation, Universities, Science & Skills Select Committee to the Draft Apprenticeship Bill

Background

1. The UK Government's Department for Children, Schools and Families, and Department for Innovation, Universities and Skills, published the Draft Apprenticeships Bill on 16 July 2008. The draft Bill implements the proposals made in the strategy *World Class Apprenticeships: Unlocking Talent, Building Skills for All* (DIUS, 2008) and provides a statutory basis for the apprenticeship programme. The consultation closed on 8 October 2008.
2. On 17 July, Phil Willis MP, Chair of the House of Commons' Innovation, Universities, Science & Skills Committee wrote to the Chair, inviting the Enterprise and Learning Committee to present its views on the proposed legislation.

Introduction

3. The Enterprise and Learning Committee scrutinised John Griffiths AM, the Deputy Minister for Skills, and David Rosser, Director, and Leighton Jenkins, Assistant Director Policy, of CBI Wales, at its meeting on 24 September 2008. The witnesses provided written memoranda, which are attached at Annex 1. The transcript of oral evidence is at Annex 2.

Procedural and Constitutional Issues

4. The Bill is currently drafted to apply in England only. In his written memorandum the Deputy Minister stated:

Although the Bill as drafted is for England only, it is intended that the provisions of the Bill will be subsumed in the 4th session of the learning

and Skills Bill at which stage it is possible that references and amendments to Wales might be included.¹

We found this confusing. Given there is a further reference in the Deputy Minister's memorandum to the "Learning and Skills Bill", we sought clarification as to whether the "Education and Skills Bill" would be renamed or whether officials had confused that Bill with the draft Learning and Skills (Wales) Measure 2008 or other legislation elsewhere. No answer was forthcoming in oral evidence. The Deputy Minister undertook to provide written clarification.

5. **The absence of this information precluded a meaningful discussion regarding the mechanism by which the Welsh clauses would be incorporated into the Bill.**
6. The Deputy Minister's written submission also referred to a letter sent by the First Minister to UK Government Ministers requesting provisions in future legislation on skills. The provision requested would:
 - allow for co-operation between the Welsh Ministers and the Secretary of State in relation to the specification of apprenticeship standards;
 - contain order making powers for the Welsh Ministers to give effect to the specification of apprenticeship standards in Wales;
 - allow for order making powers for the Welsh Ministers to authorise a body to issue apprenticeship frameworks;
 - allow for either the Welsh Ministers themselves, or for the Welsh Ministers to be able to authorise a body, to issue apprenticeship certificates and charge fees; and
 - allow the proposal to clarify the meaning and status of apprenticeship agreements entered into in connection with a recognised apprenticeship framework, to apply in Wales.²
7. Retaining the current arrangements for apprenticeship standards and approval, fees, and the apprenticeship contract in England and Wales would be sensible. We would agree with the Deputy Minister that different standards should not operate across the borders to avoid difficulties for employers and individuals. CBI Wales shared our view. However in the interests of timely and effective parliamentary scrutiny, we wish to examine the draft legislation. We are grateful to the Deputy

¹ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=97192&ds=10/2008>, p.1, para. 1.

² <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=97192&ds=10/2008> p.5, para 18.

Minister for his assurance that he will do his utmost to ensure that that happens.³

8. **We are of the opinion that this legislative approach is unsatisfactory and does not reflect well on the UK Government or the Welsh Assembly Government or indeed the current constitutional settlement.** We have therefore sought clarification from the Deputy Minister regarding the passage of the Bill and the response to the Welsh Assembly Government's request for provisions relating to the apprenticeship programme in Wales. **We wish to scrutinise the Deputy Minister again on these matters as soon as possible.**
9. **We draw these matters to the attention of the Chair and Members of the Innovation, Universities, Science & Skills Committee, who, given the obfuscation of normal procedure, will already be aware that they will be asked to consider a much amended Bill at some future date. We place on record our concerns that a precedent for the introduction of Welsh clauses to Bills may be developing, given our Legislature's recent experience of the Planning Bill, where Welsh provisions amended the Bill at a stage too late to allow for parliamentary scrutiny in Wales.**

Policy Development

10. We observe that there is some evidence of success in developing apprenticeships in Wales given the increase in the number of apprentices and the completion rate of 50 per cent, though in some instances we are aware of a mismatch in supply and demand.

Small and medium-sized enterprises (SMEs) and shared apprenticeships

11. Whilst not wishing to downplay the importance of large and medium-sized businesses to the economy in Wales and driving up skills' levels, we have previously examined evidence regarding levels of training and development in SMEs and are not convinced that many know where and how to access support. We are also concerned that the current pressure on costs may lead some hard-pressed SMEs to offer less training. The Deputy Minister acknowledged the current challenge of reaching and engaging SMEs.
12. We are interested in the results of the shared apprenticeships pilot, which involved a number of SMEs coming together to provide an

³ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.8, para. 46.

apprenticeship and look forward to receiving the Government's evaluation. CBI Wales welcome shared apprenticeships.⁴

Parity of esteem – Clause 23

13. We are particularly concerned that the importance of vocational education should be understood by all providers and those who advise prospective apprentices, in order to benefit the economy, employers and individuals. We look forward to examining the Deputy Minister's proposals for a matching service to be guided by Careers Wales.
14. We heard from CBI Wales about perceptions that apprenticeships had frequently been considered as the route for low achievers, whilst high achievers were directed to academe. We requested firm evidence and details of case studies, but agree with CBI Wales's view that Clause 23 of the draft Bill should be strengthened to ensure that all young people are made aware of the benefits of apprenticeships.⁵

The Welsh Baccalaureate

15. The Deputy Minister stated that he was trying to align the Welsh baccalaureate with the apprenticeship frameworks.⁶ The issue of consistency emerges, since the Welsh baccalaureate has not been implemented universally across Wales. We were told that the Welsh Assembly Government's aim would be to operate a system whereby credits obtained by pursuing the Welsh baccalaureate would count towards the apprenticeship framework.⁷

Fees

16. The Deputy Minister is seeking powers through this legislation to introduce fees for some apprenticeships. We realise that apprenticeships are heavily subsidised, but we are anxious to ensure that employers are not disincentivised from taking on apprentices, and that those who enter apprenticeships will not be deterred from completing them.

⁴ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.25, para.204.

⁵ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=97374&ds=10/2008> para. 21.

⁶ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.5, para. 10.

⁷ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.18, para 146.

Sector Skills Councils (SSCs)

17. As England and Wales' bodies, the SSCs are closely involved with apprenticeships in Wales, given that they draw up the apprenticeship frameworks. However they are currently being relicensed by the UK Employment and Skills Board and the Deputy Minister was unable to tell us when that process would be completed.

Disability

18. We wished to learn of how the Deputy Minister was catering for people with disabilities who desired to access apprenticeships. Given the Welsh Assembly Government's policy of integrating disabled people into the workforce, the Deputy Minister did not foresee a time when a quota might be introduced, but he gave his commitment to equality of opportunity in employment.

The employers' perspective - skills

19. Businesses frequently highlight that they are unable to recruit staff with the necessary skills to run and develop their businesses. We are aware that many employers find that apprenticeships are college based and do not transfer to the workplace. The Deputy Minister acknowledged that technical certificates could be obtained without work experience.⁸ We are also keen to ensure that the strongest possible encouragement is given to businesses to participate in work experience.

The employers' perspective – standards

20. In a knowledge economy, business needs and demands change rapidly and we feel that it is important that the apprenticeship frameworks are sufficiently flexible to adapt to new requirements. CBI Wales articulated the frustration of many employers – Toyota; EADS Defence and Security Systems UK; among them - who are unable to 'accurately map the needs of their businesses – particularly where technology changes rapidly – onto existing set apprenticeship frameworks'.⁹ We echo the view of CBI Wales that flexibility will be key to the success of the apprenticeships programme.

⁸ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.12, para. 81.

⁹ <http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008> p.20 para 165.

ANNEXES

Annex 1 – Written Memoranda

Deputy Minister for Skills:

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=97192&ds=10/2008>

CBI Wales:

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=97374&ds=10/2008>

Annex 2 – Transcript of proceedings

Committee meeting, 24 September 2008:

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=99402&ds=10/2008>