



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

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

**Dydd Iau, 5 Mawrth 2009
Thursday, 5 March 2009**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

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. This is a draft version of the record. The final version will be published within five working days.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Jeff Cuthbert	Llafur Labour
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales
Ann Jones	Llafur (yn dirprwyo ar ran Christine Chapman) Labour (substitute for Christine Chapman)
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Huw Lewis	Llafur Labour
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur Labour
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Gwawr Hughes	Cyfarwyddwr, Skillset Cymru Director, Skillset Cymru
Elaine Moore	Rheolwr, Cyngorair y Cyngorau Sgiliau Sector, Cymru Manager, Alliance of Sector Skills Councils Wales
Owen Prichard	Rheolwr Fframweithiau Cymwyseddau a Dysgu—Cymru, GoSkills Qualifications and Learning Frameworks Manager—Wales, GoSkills
Wyn Prichard	Wales Director, ConstructionSkills Rheolwr Cymru, ConstructionSkills
Helen Taylor	Sgiliau Ynni a Chyfleustodau Energy and Utility Skills
Kevin Thomas	Rheolwr Cenedlaethol Dros Dro Cymru, Lantra Interim National Manager for Wales, Lantra

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

Dan Collier	Dirprwy Glerc Deputy Clerk
Dr Kathryn Jenkins	Clerc Clerk
Ben Stokes	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.30 a.m.
The meeting began at 9.30 a.m.

Cyflwyniad ac Ymddiheuriadau Introduction and Apologies

- [1] **Gareth Jones:** Bore da, bawb. Estynnaf groeso cynnes ichi i'r cyfarfod hwn o'r Pwyllgor Menter a Dysgu. Estynnaf groeso arbennig i Paul Davies sy'n ymuno â'r pwyllgor wedi ei ddyrchafiad yn llefarydd addysg a'r iaith Gymraeg dros yr wrthblaid. Yr wyf am fanteisio ar y cyfle hwn nid yn unig i estyn croeso i chi, Paul, ac i ddymuno'n dda ichi, ond i ddiolch i Andrew R.T. Davies am ei gyfraniad gwerthfawr a sylweddol yn ystod ei dymor fel aelod o'r pwyllgor. Dymuniadau gorau ichi.
- Gareth Jones:** Good morning, everyone. I warmly welcome you to this meeting of the Enterprise and Learning Committee. I extend a special welcome to Paul Davies, who is joining the committee following his promotion to opposition party spokesman on education and the Welsh language. I would like to take this opportunity not only to welcome you, Paul, and to wish you well, but to thank Andrew R.T. Davies for his valuable and substantial contribution during his time as a member of the committee. Best wishes to you.
- [2] **Paul Davies:** Diolch yn fawr iawn.
- Paul Davies:** Thank you very much.
- [3] **Gareth Jones:** Atgoffaf bawb i ddiffodd eu ffonau symudol ac unrhyw ddyfais electronig sydd ganddynt. O ran y meicroffonau, ni fydd angen ichi bwyso unrhyw fotwm yn ystod ein trafodaethau. Nid ydym yn disgwyl ymarfer tân, felly os bydd larwm yn seinio yn rhywle, bydd rhaid inni symud o'r ystafell hon dan gyfarwyddiadau'r tywysyddion. Mae'r cyfarfod yn un dwyieithog, mae clustffonau ar gael i dderbyn gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg ar sianel 1 ac mae modd chwyddo'r sain ar sianel 0. Bydd Cofnod cyhoeddus, dwyieithog o'r cyfan a ddywedir.
- Gareth Jones:** I remind everyone to switch off their mobile phones or any electronic gadgets that they may have with them. In terms of the microphones, there will be no need for you to press any buttons during our discussions. We are not expecting a fire drill, so, should an alarm sound anywhere, we will have to leave this room under the directions of the ushers. The meeting is bilingual and a simultaneous interpretation service from Welsh to English is available on channel 1 of the headsets. Amplification of sound is available on channel 0. There will be a bilingual public Record of all that is said.
- [4] Yr ydym wedi derbyn ymddiheuriad y bore yma gan Christine Chapman ac, fel yr wyf fi'n deall, bydd Ann Jones yn dirprwyo ar ei rhan.
- We have received an apology this morning from Christine Chapman, and, as I understand it, Ann Jones will be substituting for her.

9.32 a.m.

Ymchwiliad y Pwyllgor i Ymateb Llywodraeth Cynulliad Cymru i'r Dirywiad Economaidd Rhyngwladol Presennol Committee Inquiry on the Welsh Assembly Government's Response to the Current International Economic Downturn

- [5] **Gareth Jones:** Symudwn ymlaen yn awr at y sesiwn graffu, sef prif eitem y bore yma—yr unig eitem, i bob pwrpas. Yr ydym yn ymdrin ag ymateb Llywodraeth Cynulliad Cymru i'r dirywiad economaidd presennol. Yn fyr iawn, o ran cefndir, mae'r pwyllgor hwn yn cynnal ymchwiliad i'r dirywiad economaidd presennol, gan dalu sylw
- Gareth Jones:** We will now move on to the scrutiny session, which is the main item on this morning's agenda—the only item to all intents and purposes. We are looking at the Welsh Assembly Government's response to the current economic downturn. To briefly outline the background, this committee is undertaking an inquiry into the current

arbennig i'r cymorth sydd ar gael i fusnesau a'r angen i hyfforddi ac uwchsgilio'r gweithlu. Yr ydym eisoes wedi craffu ar y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth, y Ffederasiwn Busnesau Bach a Menter Cymru, ond heddiw cawn gyfle i graffu ar Gyngyrair Cynghorau Sgiliau Sector Cymru.

economic downturn, paying special attention to the support that is available to businesses and the need for training and upskilling the workforce. We have already scrutinised the Deputy First Minister and Minister for the Economy and Transport, the Federation of Small Businesses and Venture Wales, and today we have the opportunity to scrutinise the Alliance of Sector Skills Councils Wales.

[6] Mae cynrychiolwyr y gynghrair yma y bore yma a'm lle i, ar ran y pwyllgor, yw estyn croeso cynnes iddynt. Yr wyf am ddiolch ichi am y dystiolaeth ysgrifenedig yr ydym eisoes wedi ei derbyn ac wedi cael cyfle i'w darllen. Er mwyn ffurfioli pethau, hoffwn groesawu Elaine Moore, rheolwr Cynghrair Cynghorau Sgiliau Sector Cymru, Gwawr Hughes, Skillset Cymru, Helen Taylor, Energy and Utility Skills, Kevin Thomas, Lantra, Owen Prichard, Go Skills, a Wyn Prichard, ConstructionSkills. Croeso cynnes ichi. Yr ydym yn falch iawn eich bod wedi gallu ymuno â ni. Yr ydym yn awyddus i gael trafodaeth ynglŷn â rhai pwyntiau sydd efallai'n destun pryder i chi ac sydd o bwys i ninnau hefyd. Credaf mai'r ffordd orau ymlaen fyddai i bob un ohonoch gael rhwng pump a 10 munud i wneud cyflwyniad. Efallai y gall Elaine ein tywys drwy'r cyflwyniadau hynny yn gyntaf.

Representatives of the alliance are here this morning and it is my duty to extend them a warm welcome on behalf of the committee. I thank you for the written evidence that we have already received and had the opportunity to read. I formally welcome Elaine Moore, the manager of the Alliance of Sector Skills Councils Wales, Gwawr Hughes, Skillset Cymru, Helen Taylor, Energy and Utility Skills, Kevin Thomas, Lantra, Owen Prichard, Go Skills and Wyn Prichard, ConstructionSkills. A warm welcome to you all. We are very glad that you have been able to join us. We are keen to have a discussion about some matters that may be of concern to you and which are important to us too. I think that the best way forward would be for each of you to have five to 10 minutes to make a presentation. Perhaps Elaine could guide us through those presentations first.

[7] Yr wyf newydd ddeall mai Elaine yn unig fydd yn gwneud cyflwyniad. Os gwnewch chi gyflwyniad o rhwng pump a 10 munud o hyd, cawn gyfle wedyn i ofyn cwestiynau i'r cynrychiolwyr sydd yma. A yw hynny'n dderbyniol ichi?

I have just been advised that it is only Elaine who will be making a presentation. If you make a five to 10-minute presentation, we will then have an opportunity to ask questions to the representatives who are here. Is that acceptable to you?

[8] **Ms Moore:** Ydyw. Diolch yn fawr, Gadeirydd, am y gwahoddiad i'r cyfarfod hwn. Yr wyf yma i gynrychioli holl aelodau'r gynghrair, y 25 o gynghorau sgiliau sector.

Ms Moore: Yes. Thank you very much, Chair, for the invitation to attend this meeting. I am here to represent all members of the alliance, the 25 sector skills councils.

[9] I will try to summarise a few of the key points that we were able to pull together from the 25 members of the sector skills councils in Wales. As I have mentioned in the paper, the variety and the diversity, even within one footprint of one sector skills council, is quite large, so we will endeavour to emphasise the critical points. We have organised our delegation today to represent not just the sector skills councils on an individual level but also the way in which they engage with the Deputy Minister on an annual basis, in clusters that try to group together different sectors in a way that makes it easy to identify key points. So, my colleagues will endeavour to bring to the table points made by all of the SSCs.

[10] Critically, we think that, at this time, it is important to look at what is already in place and to try to make all of that work as it should, rather than rush to introduce new measures

that might add a layer of confusion—or even greater complexity—to the existing skills agenda in Wales. The tasks and roles that have been given to the sector skills councils were made clear in the ‘Skills That Work for Wales’ document, which was launched last July, and we do not see any reason to diverge from the approach that was taken then. However, it is important to ensure that the building blocks that have been put in place work, and you will hear comments today from my colleagues about where improvements could be made in those areas. In particular, we would like to highlight the need for the sector priorities fund to come on board immediately. It is identified in ‘Skills That Work for Wales’ as the key element in our toolkit for ensuring that employers’ needs are being met, that the proper training provision is being taken up and that the right skills are being developed for the medium and long-term future of Wales. There has been a delay in getting the sector priorities fund under way and that is of great concern to us at this time because, clearly, the pressure is on in every sense of the word. If sector skills councils talk to employers about what is available to them and it is not forthcoming, they will have raised expectations but the employers will be disappointed when those expectations are not met, and that is unfortunate.

[11] Sector skills councils are well placed to speak to the employers in their sectors about how they should weather the current situation. One of the other areas that we would like to focus on is the need for the advisers in the human resource development team and in the Department for Economy and Transport to be able to work with employers who might not have gone through a recession or downturn hitherto and demonstrate what sort of business models they might need to help them to get through the current situation. We would like to feel confident that that advice and those skills are in place and that they are delivered in a cohesive, joined-up, and integrated way. We feel that there needs to be transparency regarding the HRD advisers that are going out to a variety of businesses to enable them to link up in the most effective way possible with individual SSCs, and we have some suggestions as to how the current system might be improved.

[12] We are grateful for the Welsh Assembly Government’s current focus on apprenticeships, and we are working closely with the appropriate officials to identify where there might be opportunities for more apprenticeships across sectors.

9.40 a.m.

[13] However, we would like to draw your attention to the specific needs of the public sector in this area, which is somewhat different from the more business-orientated undertakings in the Welsh economy. Public sector employers can host apprentices in the workplace, which might not necessarily be true of businesses that are suffering a downturn. So, the apprenticeships funding needs to be sufficiently flexible to enable that to happen. A course-based programme or a college-based programme, which is the current suggestion, might not suit every sector in the Welsh economy.

[14] We also feel that there are opportunities to assist further education establishments to provide the kind of flexible, short-term training that is currently required and is on offer through ProAct and ReAct, but it ought to be the responsibility of sector skills councils to assist in identifying how that can work and making that happen rather than giving the funding to the FE sector and asking it to sort it out. It wants to be able to deliver, but not in the way that is currently envisaged.

[15] There are opportunities in the current situation to consider the future skills base of Wales in an innovative way. We have heard much about the need to ensure that the priority sectors are supported, but, of course, sector skills councils cover sectors that are not identified as priorities but which might play an important role in the Welsh economy in the future. We would like some thought to go into the niche elements of our economy that we could be developing now, particularly in new technology, high technology with regard to, perhaps, the

media, and also some of the needs of our sustainable environmental agenda, to build into the training that we are planning now.

[16] So, we think that many of the building blocks are in place, but we want to turn them into a functioning construction and make that a building that works. We hope that, in the evidence you will hear today, we can demonstrate how sector skills councils are well placed to ensure that that agenda moves ahead.

[17] **Gareth Jones:** Diolch yn fawr iawn, **Gareth Jones:** Thank you very much, Elaine, Elaine, am y cyflwyniad defnyddiol hwnnw. for that useful presentation. I now turn to Trof yn awr at yr Aelodau. Jeff Cuthbert sydd Members. Jeff Cuthbert has the first question. â'r cwestiwn cyntaf.

[18] **Jeff Cuthbert:** Thank you, Elaine, for both the written submission and the comments that you have just made. I also welcome your colleagues. There are many of them—I wonder whether you think that you may need them for voting, or something like that. I am familiar with all of the sector skills councils that are represented—some more than others. Those present are well-organised sector skills councils and I am sure that they will have important comments to make as the discussion proceeds. That leads to the first question that I would like to ask you as the representative of the alliance. In terms of the overall framework of sector skills councils in Wales—and I appreciate that it is not your job to organise the 25 members that you have in that sense—would you like to say how well you think that the framework is going? Do all sector skills councils have a reasonable presence in Wales? Are they effective, in your judgment, in representing the industries? You are quite right to say that, in the current economic situation, we tend to focus on certain industries—construction being an excellent example, as it is high on the list of those industries that have been hit. You are also right to say that, in terms of future skills, we need to have an eye on all occupational areas. So, perhaps you could comment on where you think that the overall network of the sector skills councils is in terms of being an advocate for their industries. Are we at a stage in Wales where we can feel reasonably comfortable about the future development needs of those industries being advanced by the sector skills councils?

[19] I welcome what you had to say about apprenticeships, and I have read the issues relating to competencies in the workplace and soft skills, but, in terms of the links with further education, clearly we want to see partnership and collaboration between industry, as represented by the sector skills councils—I think that that is their crucial role—and the FE sector. We also want to see that with other sectors of education, but, for this moment, I wish to focus on FE. Your final sentence shows a concern about young people who are currently on FE courses at the end of which no job opportunities exist—for example, certain courses for construction-associated trades. That is obviously a serious comment, otherwise you would not have included it, but how significant is that at the moment? Do you see that more as a danger of the planning not being as good as it could be? Admittedly, no-one could predict with enormous accuracy what the next three or four years might require in job skills, but we need to have our best stab at it. Or are you saying that that is a major problem that needs to be addressed now?

[20] **Gareth Jones:** Before you answer that, Elaine, although Jeff was asking about the nature of the sector skills councils and what representations we have in Wales, we wish to focus on the economy. You might like to comment on his first question, but we really want to focus on the economy.

[21] **Ms Moore:** I will try not to turn my answer into an advertisement for how marvellous the alliance is. As you know, I came into post in July and I have been enormously impressed with the level of knowledge and skills and experience that we have in Wales across the sector skills councils. You may be aware that we recently launched our action plan in the Senedd,

which shows how, as an alliance, we are committed to delivering the four key elements of 'Skills That Work for Wales' that we have been tasked with. I am confident that we can do that. In fact, we have already developed a detailed action plan to take those four areas forward. So, the answer to your question is a resounding 'yes'.

[22] As you know, all sector skills councils are currently under a re-licensing process yet again; it is the third time around in less than six years for some. At the end of that process, which is scheduled for August, I am sure that we will see a focus on what resources should be allocated to Wales in the context of the sector skills councils centrally. We all hope that that will mean greater resources for Wales, but the answer to your question is that not only am I confident that all 25 SSCs are doing the job that they are supposed to do, but I am confident that soon we will have an improved, integrated plan that will enable us, as an alliance, to deliver.

[23] On your question on FE, I did not want it to appear as if that was the only issue to which we wished to draw attention. However, it is well known that, in Wales, FE provision has often been driven by funding rather than by what needs to be provided. It just so happens that we have ended up with a situation in which training is being provided in an area where there are unlikely to be jobs for those young people. I suggest that it is a planning issue, but it is also a danger for us at the moment because we do not want to encourage people to take courses at the end of which there will obviously be no job. I will ask my colleague, Wyn Prichard, to elucidate further.

9.50 a.m.

[24] **Mr W. Prichard:** The main issue with this is the balance. A concern that we have always had as ConstructionSkills—speaking for the built environment here—is that only five or six main trades are provided for within FE. What it does, it does very well, but the skills requirements for lecturers and others need to be brought up to speed. We all know where technology is going within the built environment and across other sectors, and skills need to keep pace with that. The FE sector is fundamental in the delivery of that. We have always seen it in that role. However, we need to encourage the innovation that some of these further education institutions can show in terms of different approaches. One of the things that we are looking at, for the built environment, is project-based approaches, which is very much linked to procurement. Therefore, you have a five-year strategy for the skills that are required on a project over that time, which then brings in the elements of diversity and the skills that may be new to Wales that will need time to bed down. That is important as far as we are concerned.

[25] **Ms Taylor:** Generally, my energy and utility sector is not terribly well provided for in the FE sector, but we are developing a national skills academy for power, which will be UK-based. Therefore, we are hoping to engage with several further education colleges to carry on some of that diversion into new technologies, because that academy will also include some of the renewable energy skills training.

[26] **Gareth Jones:** I know that Jeff wants to come back on one or two points, but feel free to comment on the topic of further education. If there is anything further that you wish to elaborate upon at this stage, it would be helpful.

[27] **Mr O. Prichard:** I will make one comment. It is only quite recently that I joined GoSkills, and I only learned yesterday that I would be attending this committee meeting. I have had very positive interaction so far with further education colleges. I think that they are starting to listen to the 'Skills That Work for Wales' agenda, and are certainly realising that the sector priorities fund is a major point for them. At present, three colleges that I have visited are starting up projects based on talking to us and finding out some more about what is

happening in the industry.

[28] **Paul Davies:** On the point about skills, I notice from your paper that, as an alliance, you only meet the Deputy Minister once a year. Are you happy with that arrangement?

[29] **Gareth Jones:** Before you answer that question—we will come back to that particular point—Jeff, would you like to clarify your point?

[30] **Jeff Cuthbert:** Yes. I take your point—the caveat that you gave. Obviously, we are looking at the way in which the Welsh Assembly Government is dealing with the economic crisis but, clearly, it is a partnership and there is what the Welsh Assembly Government is doing and then there is what industry itself is doing. I just need to be clear in my mind about the role of the sector skills councils—whether the alliance or the individual sector skills councils—in relation to this issue. We have to ensure that we do not take our eye off the ball in allowing issues of short-term survival—important though they are—to take over the long-term skills needs for when we emerge from the recession so that we can try to take advantage of the opportunities.

[31] You just mentioned contact with individual further education colleges, but, on a more global level, do the alliance or individual sector skills councils, for example, link in with Fforwm so that there is an overarching view of what further education can and should be delivering across Wales? Is it at that level or is there a patchier approach? Is there a co-ordinated approach?

[32] **Mr Thomas:** I will speak about the land-based sector skills council. We meet the Fforwm land-based group four times a year. On those occasions, we share all the issues related to curriculum, employer needs, delivery, careers activities, and a whole range of provision. That is a regular and well-embedded activity. We would also like to enhance that activity within the next two years and have greater engagement to give more capacity to Fforwm to give feedback on things such as apprenticeships, national occupational standards and a whole range of other things that we, as sector skills councils, need to do, in addition to engaging it to build up its capacity as a co-ordinated training provider. So, we will be looking not just at curriculum development but at how to share best practice among ourselves so that we can facilitate that and facilitate that capacity building. Also, we need to consider how we look at sector-specific solutions that address people's training needs. I can only speak for our sector, but that approach is embedded and well-established. However, we would like to use the sector priorities fund to enhance that and to take it to the next level by using technology and web-based activities.

[33] **Nerys Evans:** O ran y sefyllfa economaidd yn gyffredinol, yn eich barn chi, beth yw'r anawsterau a'r pryderon mwyaf sy'n wynebu busnesau ar hyn o bryd? Pa sectorau fydd yn dioddef fwyaf? A ydych yn credu bod y problemau a phryderon hyn yn cael eu trafod yn ddigon eang yn uwchgynadleddau Llywodraeth y Cynulliad? A oes gennych bryderon nad ydych chi na'ch aelodau wedi bod yn rhan o'r uwchgynadleddau?

Nerys Evans: With regard to the economic situation in general, in your opinion, what are the greatest difficulties and concerns currently facing businesses? Which sectors will suffer most? Do you think that these problems and concerns are being discussed widely enough in the Assembly Government's summits? Do you have any concerns that neither you nor your members have been a part of the summits?

[34] **Ms Hughes:** Ni allaf siarad dros bob sector, yn amlwg, gan nad wyf yn arbenigwraig am bob un o'n 25 cyngor sgiliau sector. Yr wyf yn siarad ar ran ein

Ms Hughes: I cannot speak for every sector, clearly, because I am not an expert about each of our 25 sector skills councils. I speak on behalf of our council, Skillset, which deals

cyngor ni, Skillset, sy'n ymwneud â'r cyfryngau, teledu, ffilm, animeiddio ac yn y blaen, ac yr wyf hefyd yma yn cynrychioli'r sector diwylliannol, sy'n cynnwys y sectorau nad ydynt yn ymwneud â'r ochr mwy technegol a'r ochr technoleg gwybodaeth, sydd yn dod o dan e-skills UK. Sectorau hanfodol i economi Cymru yw'r rhain ac, o ran ein gwaith ni yn Skillset, yr ydym wedi edrych i mewn i effaith y dirwasgiad ar ein sector.

[35] Hysbysebu yw'r broblem fawr, gan fod pobl yn tynnu allan o hysbysebu, boed hynny ar y teledu neu ar y radio, oherwydd cystadleuaeth i raddau o du'r technolegau newydd, sef y rhyngwrwyd ac ati. Felly, yr ydym yn cynnal ymchwil manwl—nid wyf wedi ei weld eto—i effaith y dirwasgiad ar y sector. O ystadegau Prydain, fydd i raddau'n adlewyrchu a chynnwys y sefyllfa yng Nghymru, gan edrych i'r ddwy flynedd nesaf, gwelwn dros 200,000 yn cael eu diswyddo drwy'r sectorau, a chredaf fod y sectorau ym Mhrydain yn cyflogi bron i 500,000 o bobl. Felly, mae hynny'n ddifrifol. Daw hynny o gyfuniad o newidiadau technolegol a'r dirwasgiad.

[36] Dylwn dynnu sylw at y sector y mae e-skills UK yn ymwneud ag ef. Mae wedi sylweddoli, oherwydd y swigen dot.com a fostiodd yn 2001, fod yn rhaid i'r sector hwnnw newid ei ffyrdd o weithredu a datblygu modelau newydd ar gyfer rhedeg busnesau. Yn ôl pob sôn, dros y degawd diwethaf mae'r sector hwnnw wedi llwyddo i ddatblygu busnesau newydd a dod drwy'r sefyllfa wael cafodd ei hun ynnddi. Mae enghreifftiau y gallwn hwyrach edrych arnynt ond, yn fras, dyna yw effaith y dirwasgiad.

[37] O ran ymwneud â Llywodraeth y Cynulliad, hwyrach fy mod yn mynd ymlaen i ateb cwestiwn arall. Lle bo'n sector ni yn y cwestiwn, nid oes cefnogaeth uniongyrchol i'r un o'r tri sector. Mae rhaglen ProAct i'w chael, ond ni welaf ddim byd arall yn dod trwodd. Efallai fod defnydd o'r rhaglenni presennol, fel y rhaglen datblygu gweithlu, ond nid oes dim fyddai'n arwain ni i feddwl mai sector a flaenoriaethir gan Lywodraeth y Cynulliad ydyw, ac mae hynny'n fy synnu achos mae gennym strategaeth ddiwylliannol. Dylai'n sector ni gael blaenoriaeth, ond nid

with the media, television, film, animation and so on, and I am also here representing the cultural sector, which includes the sectors that are not to do with the more technical and the information technology side, which comes under e-skills UK. These are sectors that are vital to Wales's economy and in our work at Skillset we have been looking into the effect of the recession on our sector.

Advertising is the major problem, because people are pulling out of advertising, whether on television or radio, partly due to the competition from new technologies such as the internet and so on. We are therefore conducting detailed research—I have not seen it yet—into the impact of the recession on the sector. From the statistics for Britain, which will in part reflect and include the situation in Wales, looking at the next two years, we see over 200,000 jobs being lost throughout the sectors, and I believe that the sectors in Britain employ close to 500,000. So, that is serious. That is the result of a combination of technological changes and the recession.

I should draw your attention to the sector that e-skills UK deals with. It realised that, because of the bursting of the dot.com bubble in 2001, the sector would have to change its methods of working and develop new business operating models. Every indication points to that sector having succeeded over the last decade in developing new businesses and come through the awful situation that it found itself in. There are examples that we could perhaps look at, but, basically, that is the impact of the recession.

As regards engagement with the Assembly Government, perhaps I am going on to answer another question. As far as our sector is concerned, there is no direct support for any of the three sectors. The ProAct programme is available, but I cannot see anything else coming through. There may be use of the current programmes, such as the workforce development programme, but there is nothing that would lead us to believe that the Assembly Government has prioritised the sector, and that surprises me because we have a cultural strategy. Our

yw hynny i'w weld yn digwydd. Hwyrach y sector should be prioritised, but that does not appear to be happening. Perhaps that will emerge over the coming months, but we are in the grip of recession now, and the sector wants to come out of it within a few months.

[38] **Mr W. Prichard:** I would like to answer the question on the impact of the Welsh economic summits. In terms of Fforwm and the British Association of Construction Heads, Jeff, we have a very strong relationship as regards the built environment with John Graystone and the British Association of Construction Heads. It is integral. What we are talking about links into that: it is about partnership. We are employer-led bodies, and we have a wealth of employer expertise for which we have to be the conduit in work with stakeholders. We cannot do it as sector skills councils and the alliance alone; we must engage with those people. I praise the work of Fforwm, which is trying to move things forward.

10.00 a.m.

[39] On the other question, we have been fortunate to have David Harris of the Welsh built environment forum attend the four economic summits. The Assembly Government should be praised for its response to the downturn. It is leading the way in the UK with the summits and the projects that have emerged from them. One concern on which I received feedback was that the fourth summit was a tell session and not as collaborative as the first three.

[40] To pick up on Gwawr's point, we must also be wary of short-term responses. Many of the programmes are year long. That is very commendable and will benefit the industry in the short term, but we need to get the engagement right in the built environment sector and a number of other sectors on areas such as procurement and how local authorities work together with partners. It comes back to partnership. If we are to come out of the economic downturn, it will have to be done by people working together. We are not all experts; we are all slices of the cake, for want of a better analogy. We all have our own expertise, but someone must put those slices together to make the cake, and I see that as the role of the summits.

[41] **Gareth Jones:** Diolch yn fawr. Yn **Gareth Jones:** Thank you. In line with that
unol â'r pwynt hwnnw am yr point on the summit, I want Paul to repeat his
uwchgynhadledd, yr wyf am i Paul ofyn ei question.
gwestiwn eto.

[42] **Paul Davies:** You mention in your paper that the Deputy Minister for Skills meets you only once a year. Are you content with that?

[43] **Ms Moore:** We should explain that those meetings are specifically for the clusters. They were a mechanism developed under a previous Minister to enable a way of meeting everyone formally but in a manageable format. However, those are not the only opportunities for individual sector skills councils to engage at the political level. Generally speaking, we feel that the Deputy Minister is engaged with SSCs at an individual level and with the alliance. However, it would be helpful to have more engagement across the piece, because the Department for Economy and Transport is a very important department to SSCs. We do not have formal meetings with that department on an annual basis or on any other basis, and that was the point that we were making about the economic summit. We feel that SSCs can play a role in those discussions, were we to know the appropriate time for that to happen, and if there were more a little transparency about who is invited. So, finding out how you get invited and how you can contribute would be helpful, and we would welcome an opportunity to engage with that process were we to be invited.

[44] Returning to the issue that Jeff raised, interestingly, Fforwm is not one of the five key partners identified in the stakeholder arrangements for sector skills councils' agreements. The thinking is that we should engage with further education through the auspices of the Welsh Assembly Government, unlike higher education, for example, which we engage with directly through the Higher Education Funding Council for Wales. As individual SSCs, clusters or via the alliance, we are endeavouring to find a more effective way given that FE is such a critical deliverer of training for so many of the sectors that SSCs cover—although, I must emphasise, not all of them. So, we might want to consider whether we need a slightly different way of engaging according to some of the cluster issues, or the ways that are being described by Lantra and ConstructionSkills.

[45] In case Paul thinks that I have not really answered his question, I will just say that we think that political engagement is essential. After all, we are tasked with the delivery of a strategy that has been agreed by the Welsh Assembly Government. However, we are conscious that it is often civil servants who are tasked with carrying out the political agenda. So, it is not just a question of being able to meet with the Deputy Minister, but of being able to meet with the appropriate people who work in the back office, as it were.

[46] **Paul Davies:** To clarify, are you saying that the Welsh Assembly Government is not fully engaging with you?

[47] **Ms Moore:** No, I am not saying that. I would be very foolish if I did, would I not? What I am saying goes back to the argument of being joined up. We have all the blocks; the challenge is making the appropriate links across the piece for maximum effect.

[48] **Ms Taylor:** To add to Elaine's comments, it is not that we are not being engaged with, but that an element of communication is still needed with those departments that do not engage with us regularly, to give an understanding of what we do as SSCs and where we need to work strategically. Sometimes, we are not included until later in the process. In addition, some people consider that we need to act operationally when that is not our role. It is getting a lot better. For example, my sector covers the waste management industry, and I am now engaging with the people who are developing the relevant strategy to include skills in their policy decisions. However, it is about ensuring that all Welsh Assembly Government departments are aware of what SSCs are, what they do, and at what level they can help.

[49] **Mr Thomas:** In answer to Paul's question, sometimes, as a land-based SSC, we have one foot in the Department for Rural Affairs and the other in the Department for Children, Education, Lifelong Learning and Skills. There can also be grey areas, such as farming contractors. Where do they fit in? They are not quite in agriculture, but not quite in other areas. So, we sometimes see grey areas and people can slip through the net. There can be matters that are important in a rural context, such as employers and activity, but that do not fit comfortably into any particular department.

[50] **Mr W. Prichard:** The Deputy Minister's visibility is another point, as far as we are concerned. He comes to us quite often on the basis of individual sectors, and he represents the Assembly Government and his department well in that forum. However, the important thing is what goes on underneath all that. It is a bit like a duck: it is what goes on underneath the water that is important. So, it is the DCELLS response to some of the initiatives and how it is engaging with us as the Alliance of Sector Skills Councils that is important. From our point of view in the built environment sector, some of the support that we get from that department is innovative and stretches the boundaries of what we can deliver, through shared apprenticeships and collaborations with north Wales principals, looking collectively at ensuring that skills needs are met. That is down to that department and to the people involved in this committee.

[51] **Gareth Jones:** Did you want to come back on that, Jeff?

[52] **Jeff Cuthbert:** On the point that Helen made, I am sure that I heard you correctly, but you seemed to say that WAG officials may not understand the role of sector skills councils. If that is the case, it is worrying, because SSCs have been in existence for some time. I do not want you to name individuals, but is it the case that there is still a lack of understanding in important quarters?

[53] **Ms Taylor:** At the risk of putting my head above the parapet, I will say, yes, I think that there is. Specifically, we are sometimes expected to act operationally but not strategically. There is an ongoing battle to get our voice heard at the right time, instead of being added at the end. It is as though people say, 'Oh, and let us think about skills'. I am sorry to raise something that may be unpleasant, but that is still the case. In mitigation, there has been an awful lot of change among civil servants in the Welsh Assembly Government, so people are changing roles, and it is hard to keep up with everything that is going on. So, perhaps that is some mitigation for that.

10.10 a.m.

[54] **Ms Hughes:** Hoffwn ychwanegu rhywbeth drwy roi enghraifft. Yr ydym wedi cael trafferth oherwydd diffyg cyfathrebu rhwng yr Adran Economi a Thrafnidiaeth a'r Adran dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau. Yr oedd hynny i fod i gael ei ddatrys o dan y Cynulliad newydd. Felly, yr oeddem yn edrych ymlaen at weld y pwyllgor hwn yn dod â'r ddau beth at ei gilydd—gwyh. Nid wyf am enwi enwau, ond fe ddywedaf ein bod yn gwastraffu amser yn ceisio egluro'r sefyllfa i'r ddwy ochr, felly mae'n cymryd amser i sefydlu rhaglenni. Mewn rhai sefyllfaoedd, yr ydym wedi gorfod egluro strategaethau Llywodraeth Cynulliad Cymru i aelodau staff o fewn y Llywodraeth. Er enghraifft, nid yw staff yn ymwybodol o'r blaenoriaethau sy'n cael eu rhoi i'n sector ni, na'r ffaith ein bod yn cael ein enwi mewn strategaethau ac ati. Felly, yr ydych yn dal i frwydro'n ddi-baid i geisio egluro'r sefyllfa. Yr ydym yn bendant yn cael trafferthion o ran diffyg cyfathrebu rhwng adrannau.

Ms Hughes: I would like to add something by giving an example. We have had some problems because of a lack of communication between the Department for the Economy and Transport and DCELLS. That was supposed to be solved under the new Assembly. Therefore, we were looking forward to this committee bringing both things together—excellent. I will not name any names, but I will say that we waste time trying to explain the situation to both sides, and so it takes time to establish programmes. In some situations, we have had to explain Welsh Assembly Government strategies to members of staff within the Assembly Government. For example, members of staff are not aware of the priorities given to our sector, or of the fact that we are named in strategies and so forth. Therefore, we are constantly battling to try to explain the situation. We are definitely having problems with a lack of communication between departments.

[55] **Gareth Jones:** Mae'n bwynt pwysig. Os oes diffyg dealltwriaeth neu gyfathrebu, mae'n ddyletswydd arnom ni, fel pwyllgor—ac mae aelodau arno o ddwy ochr y Llywodraeth ac o bleidiau nad ydynt yn y Llywodraeth—i wella unrhyw fath o gyfathrebu. Beth bynnag y bo polisïau'r Llywodraeth, oni chewch y cyfathrebu, ni fydd y polisïau mor effeithiol ag y dylent fod.

Gareth Jones: This is an important point. If there is a lack of understanding or communication, we are duty bound, as a committee—and we have members from both sides of the Government and from parties not in Government—to improve any type of communication. Whatever the Government's policies may be, without that communication in place, the policies will not be as effective as they should be.

[56] A ydym yn cyfeirio at uned sydd wedi'i sefydlu gan y Dirprwy Weinidog i gysylltu â'r sector a'r cyngor, neu a ydym yn sôn am uned neu unigolion eraill? Mae'n bwysig eich bod yn ceisio ein helpu ni, fel pwyllgor, hefyd. Nid ydym eisiau gweld bai ar neb, ond rhaid inni geisio gwella. Mae'n amlwg bod gennych bryder, a bod rhywfaint o rwystredigaeth o safbwynt trosglwyddo eich neges. Felly, a hoffech ymhelaethu ychydig?

Are we referring to a unit that has been established by the Deputy Minister to communicate with the sector and the council, or are we talking about another unit or individuals? It is important that you also try to help us, as a committee. We do not want to point the finger of blame, but we must try to improve. It is clear that you have concerns, and that you have some frustrations in conveying your message. So, would you like to expand a little?

[57] **Mr W. Prichard:** From our point of view—and I am talking about the built environment sector skills councils—because of the very nature of our sector, we have quite a good cross-reference across all Assembly Government departments. We find it supportive of the industry and of employer engagement. However, a frustration that we have is that policy is not always linked to skills, which is a different issue, I suppose, than those raised in the discussion so far. Another concern is that there are policies to be thought about, such as zero carbon and sustainability, which will have skills issues. That is, they will mean that the further education sector needs to step up to the plate to achieve them, but there is a lag in giving clarity about what that will mean for individuals and companies if we are to meet the requirements. I think that the issue is more about creating that synergy for us rather than about the transparency of our sector skills council. So, it is more about the clarity of joining that together.

[58] **Ms Taylor:** Very recently, DCELLS appointed someone to look at the energy sector in relation to skills, which I think is in recognition of the need to talk across all the sectors that have a footprint in the energy sector—and there are eight sector skills councils under sector bodies that have a direct link, particularly to the renewables area—but also of the need to improve communications across all departments. So, there is a recognition that that communication needs to take place.

[59] In addition, outside the Welsh Assembly Government, when we deal with local authorities and some of the learning networks, there is still some work to be done on clarifying our role and where we can offer support. As sector skills councils, our core remit is to provide labour market information for Wales, and we try hard to do so. However, we are constantly being asked for specific regional labour market information within Wales, and we have the capacity to do that only when we are given the funding to carry it out. So, it is a kind of catch-up between what we can do with the resources that we have and what people would want us to do, in a utopian world. Does that help?

[60] **Gareth Jones:** Yes. Quite a few Members want to ask questions on this specific point. I call Sandy and then David.

[61] **Sandy Mewies:** I am still not quite clear as to whether this is a point that goes across the alliance, or whether there are some very specific issues to individual councils, and the feeling that I am getting is that it is better in some areas than others. Where local authorities are experiencing difficulties, they are not always the same difficulties. As the Chair said, before any recommendations are put into a report, I would want to be clear as to what you are getting at. Helen, you raised the issue of local authorities; is it local authorities that do not understand the strategic, regional role? If that is the case, are you saying that it is the Welsh Assembly Government's responsibility to let them know? Do you feel that you have a role in that, either as an alliance or as an individual council?

[62] **Ms Taylor:** There are joint responsibilities here. We have a role to communicate, which we have been doing for a number of years. When the Community Consortia for Education and Training were in existence, we went out as a network of sector skills councils and gave presentations to CCETs to show them what we did. We possibly need to do that again with the 14-19 networks. It gets wider and wider; a 14-19 network would include schools, so how far do we take the communication? The 14-19 networks go through their annual network development plans. We had a discussion last week about being involved in that planning process at a much earlier stage. Until now, we have been involved at the end, in commenting on the plans; that is the wrong place for us to be involved. I am not saying that the situation is terrible, but it is quite slow, and fairly frustrating when you are asked to comment on plans. It is hard for you to understand because you are faced with the end-product. You are looking at a kind of business case, or plan, and you have to try to understand where that came from, but you do not have an understanding of the research behind it. You are, therefore, in a difficult position at the end of that process. With the 14-19 network, we are engaging now to get involved at the right stage.

[63] **Sandy Mewies:** You feel that the right stage would be much earlier.

[64] **Ms Taylor:** It would be much earlier. It has taken a long time to get there. That is an example that applies right across all 25 SSCs, rather than being an individual problem for my sector. However, there are instances of good collaboration. I sit with ConstructionSkills, Asset Skills and the Sustainable Energy Network on the Welsh energy sector training project; it is currently bidding for more European structural fund money to carry on. That has been a superb collaboration between HE, FE, employers and sector skills councils. We would like to see that kind of collaborations going ahead, and a level of understanding of where we can fit in.

[65] **Ms Moore:** Perhaps I could give an illustration of an area that is viewed by all 25 SSCs as being of concern—namely the funding available for access, and how that is being taken forward. I have already mentioned the urgent need for the sector priority fund's mechanism to be resolved, but we have examples of bids that were put in 12 months ago or 18 months ago, by SSCs sitting at this very table, which have not yet been progressed. We have examples of hard-working people who work as managers with sector skills councils and have a good understanding at a high level. We are concerned that, when people are tasked with taking these practical issues forward, there is often just one individual working on the sector priorities fund—which is a multi-million pound fund. There are just not sufficient human resources to deal with such an important vehicle for so many SSCs. We are all waiting, desperately. This was a scheme that was supposed to be up and running this month, and we still have not agreed how it will work, and how we will access it. So, that is an example of something about which all 25 of us have a concern.

10.20 a.m.

[66] **David Melding:** My intention in this phase of evidence, which started with the question asked by my colleague Paul Davies to Elaine Moore, was to find out whether an annual meeting on strategic issues is sufficient. The response was that it was part of a group of more general meetings with individual sector skills councils. Helen Taylor then gave pretty devastating evidence, saying that they are seen as just being operational rather than strategic, not only by the Welsh Assembly Government but also by local authorities. Is Helen Taylor's interpretation of what is happening shared by the others?

[67] **Mr O. Prichard:** Many people did not understand what GoSkills was or who it represented, and one key factor on which we have been working recently is to introduce ourselves, telling people who we represent and what we would like to see happening in the future in terms of plans and business opportunities for colleges. Jeff spoke about Fforwm, and

Fforwm gave me an opportunity to speak at its work-based learning managers' meeting in Llandrindod Wells, and a certain percentage of its business development managers were there too. It was nice to be invited to present to them on the business opportunities that might be available for them to consider in the future, especially given the need to link, and to be seen to be working, with the SSCs.

[68] As a sector, we feel that—Stephen Kennedy should be sitting here, as this is one of his key areas—the Assembly Government could be applying more pressure. Many people in our sector draw down funding from the Assembly Government or are in some way supported by it or by its work, so we would like to see some gentle pressure being put on people, when they get tenders and so on, to follow certain routes—such as trying for the Investors in People award, signing up to the basic skills pledge and engaging with the relevant SSC—and to ensure that such things are considered before contracts are signed.

[69] **Ms Hughes:** All SSCs in Wales have a sector manager in the Welsh Assembly Government, and, from what I gather, one of the key problems—I have turned to English; I will continue in Welsh.

[70] Un o'r prif broblemau gyda'r unigolion hynny a'u swyddogaethau yw'r ffaith bod ganddynt ormod o sectorau. Yn ôl pob sôn, mae pob rheolwr sector wedi cael mwy o sectorau yn ddiweddar—mae'n rhaid bod llai ohonynt. Sut mae disgwyl iddynt fod yn arbenigwyr yn yr holl sectorau hynny? Efallai nad ydym yn disgwyl iddynt fod yn arbenigwyr, ond yr ydym yn disgwyl bod ganddynt ddealltwriaeth o'r sectorau, i'n cynorthwyo i siarad â phob un o'n partneriaid—mewn partneriaeth gyda ni, yn naturiol, gan fod gennym rôl yn hynny o beth. Sut mae disgwyl i un person edrych ar bob adran yn Llywodraeth y Cynulliad, o gymwysterau, i yrfaedd, i ddysgu yn y gweithle ac yn y blaen? Nid yw'n bosibl. Felly, dyna un o'r prif broblemau.

One of the main problems with those individuals and their functions is the fact that they have too many sectors. It seems that each sector manager has received more sectors recently—there must be fewer of them. How can they be expected to be experts in all of those sectors? Perhaps we do not expect them to be experts, but we do expect them to have an understanding of the sectors, to assist us in speaking to each of our partners—in partnership with us, naturally, as we have a role in that. How can one person look at each department in the Assembly Government, from qualifications to careers, to learning in the workplace and so on? It is not possible. So, that is one of the main problems.

[71] **Mr W. Prichard:** It is important to answer the question correctly in terms of where we sit as an SSC. There are three things to bear in mind. As I said earlier on, it is not about Wyn Prichard ConstructionSkills; it is about the employers, how we engage with those employers and how they drive things forward strategically. A collective alliance is about building up the capacity and being strategic and, if some of us are able to do it, to allow us to become operational. That is why we have taken up the challenge of setting up clusters; in terms of our size, our footprint and what we can do, we might be a lot better off doing it collectively.

[72] As a body, the whole basis on which we exist—this also goes for me as the Welsh director—is that ours is an employer-led body. So, I stand and fall by what the employers feel and by how I convey those views to you and other committees.

[73] **Mr Thomas:** I can only speak on our behalf but, as probably one of the largest sector skills councils in Wales, we have a disadvantage in that 96 per cent of our industries are micro-industries or small industries, so they are individual, single farms or small businesses, which creates a problem. However, there are advantages if you have strong unions or natural groupings that you can integrate and liaise with, such as farmers' unions and so on, so we are

lucky in that respect. It becomes more difficult to do that once you start dealing with veterinary nurses or fencing contractors, for example. So, I can see it from both sides. However, with regard to our longstanding existence as an organisation and a sector skills council, we are at the table in the important places. Strategically, we are valued for what we bring in labour market intelligence terms, and we have a history of delivery, being recognised by both sides as an important player. That is a definite advantage, although there is an operational challenge in recognising the role that you play for all participants, partners and stakeholders. I can speak only from my experience. I am sorry that I cannot give examples of the direct experience of People First or Skills Active, who form our natural clusters.

[74] **Jenny Randerson:** I will go back, first, to something that you said earlier, and then I want to move on to some new areas. Elaine, you stated that it was not identified by the Welsh Assembly Government that you should, as a group, engage directly with Fforwm, but that you do engage directly with HEFCW. What is your experience of the difference in the quality of your engagement with those two sectors? I acknowledge that it seems to be a bit counterintuitive, as you do not have a strong higher education presence in some areas, whereas every sector has a presence in FE. Do you think that the fact that you are supposed to approach FE via the Welsh Assembly Government might explain why FE courses lag behind market demand? Might a direct engagement change that?

[75] Moving on to ProAct, you say in your paper that you have had some engagement with the pilot ProAct scheme. How effective do you believe the scheme to be at the moment? Finally, to ask a very different question, there has been a delay in the publication of the Government's manufacturing strategy. Earlier, Gwawr mentioned the need to perhaps reprioritise some sectors. Do you think that the Government should be giving more priority to publishing the strategy? Do you have any views on precisely where it should be going with it?

[76] **Ms Moore:** It was worth waiting for those questions, Jenny. In a way, I will have to defer to my colleagues, because the decision on how we engaged with FE was taken prior to my arrival; in fact, I think that it predates the alliance. However, as a point of interest, when I was drawing up some documents a few months ago, I automatically included Fforwm as a stakeholder, because I assumed that that would be the mechanism we would use. To me, as an outsider coming fresh to the piece, it just seemed logical that that would be the mechanism. I was quite surprised to find that it was not. I will have to look to someone who has been around longer than I to say why the extra layer of the Welsh Assembly Government was put in.

[77] **Ms Taylor:** When we went through the SSA process, we had a project board in Wales made up of the Sector Skills Development Agency, HEFCW, the Welsh Assembly Government, Jobcentre Plus, Careers Wales and the Wales TUC. I remember asking specifically at the time whether FE would be represented. The answer that I was given was that it was considered that that would be dealt with by the Welsh Assembly Government action plan, because the Government provided the funding for FE. So, it was considered that the dialogue would work in that way. That is as much as I know about the rationale behind those decisions, although we do share your views on some of them, because strong FE links are important to be able to move forward.

10.30 a.m.

[78] **Mr W. Prichard:** I will refer back to the earlier question. Those were seen as the essential partners that were needed to engage with the sector skills council, especially as some of them are embryonic in terms of their development. A number of us around the table have tried to drive that forward, as has the alliance. We have signed agreements with partners such as Fforwm, the Welsh Local Government Association and others, in order to push the agenda further into operational matters. Some of the initial high-level agreements were strategic

documents. To make them work in reality, there has to be operational engagement with the FE sector. Some of the work—and I see Ann coming in—for example at Coleg Llandrillo Cymru on the regeneration of Rhyl, takes place as a result of a partnership. That is underpinned by a sector skills agreement. To my mind, it is the operational plans, not the high-level sector skills agreements, that result in working with partners. I will touch on the part of your question about ProAct: our engagement with the Assembly Government and its departments has been proactive—if you will pardon the pun—with regard to how it has tried to link in with that scheme. My one remaining concern is that the programme is for this year only, whereas greater longevity may be required, given the difficult economic downturn.

[79] It has been flagged up on our UK board that ProAct may be used with regard to construction skills across the other three nations, because they think that it is something that shows forward-planning and forward-thinking. It will be interesting to see whether that is adopted. On the final point about the effect of the ProAct scheme on manufacturing: I cannot answer for manufacturing, but with regard to our sector, the Assembly Government has brought forward a forum. The forums are an important way of bringing together—in the built environment—a group of individuals, and a group of SSCs, in order to resolve issues. With regard to whether a delay is appropriate: because things happen daily—unfortunately some companies have to close down—there may be a need to refresh the strategy continuously. So, I am not too hung up about the policy. I am more concerned about the here and now, and about the responses.

[80] **Ms Taylor:** I sit peripherally on the manufacturing cluster because of the engineering element in our sector. It would be good to have the strategy published sooner rather than later. From the point of view of new technologies, a great deal is happening in the energy and waste sectors. The waste strategy is likely to be pushing forward some new technologies, and we will need every sector to be up to speed in order to be able to support those new technologies. Manufacture and design will be key components of that, as will construction, and as will the people delivering those new technologies in the field: the plumbers, the gas fitters and the electricians. So, we need things very soon. Wales as a country needs to gear up to some of these new technologies. New technologies do not necessarily mean acquiring new skills. Some new skills will be needed, but many of the skills that are needed for the new technologies in the waste and energy sectors are already in place. We will need more civil engineers and planners, but that will not necessarily involve developing new skills. We need to make people aware that we will need those skills in place in three to five years, and in the longer term.

[81] **Ms Hughes:** Hoffwn gyfeirio yn ôl at gwestiwn Jenny ynghylch addasrwydd ProAct ar gyfer ein sector. Yr wyf yn ymwybodol o'r rhaglen ac o'r hyn y mae'n ei wneud. Yn naturiol, yr wyf am weithio gyda Llywodraeth y Cynulliad o hyn ymlaen i sicrhau bod ein sector yn gallu cael cefnogaeth gan y rhaglen. Mae gennym dystiolaeth bod angen yr arian hwn. Ar y llaw arall, yr hyn y mae'n rhaid inni ei sylweddoli yw mai'r unig broblem sydd gennym yn awr—ac nid wyf wedi ei thrafod eto gyda Llywodraeth y Cynulliad—yw'r ffaith bod 36 y cant o'r gweithlu yn ein sector ni yn gweithio ar eu liwt eu hunain, neu'n unig fasnachwyr. Nid wyf yn siŵr a fydd y rhaglen ProAct yn addas ar eu cyfer. O ran ein sector ni, mae'n rhaid iddi fod yn addas,

Ms Hughes: I would like to refer back to Jenny's question regarding the suitability of ProAct for our sector. I am aware of the scheme and what it does. Naturally, I will work with the Assembly Government from now on to ensure that our sector is able to obtain support from the programme. We have the evidence that this funding is needed. On the other hand, we need to recognise that the only problem that we currently have—and I have not yet discussed this with the Assembly Government—is the fact that 36 per cent of the workforce in our sector are freelancers, or sole traders. I am not sure whether ProAct will be suitable for them. In our sector, it will have to be, because in the future that 36 per cent will increase, and more of the sector will be made up of

oherwydd yn y dyfodol bydd y 36 y cant hwnnw yn cynyddu a bydd mwy o'r sector yn gweithio ar eu liwt eu hunain. O ble ar y ddaear y byddant yn cael y sgiliau? Yr ydym yn wynebu chwyldro digidol anferth ar hyn o bryd, ac nid yw Cymru am fod ar ei hôl hi. Bydd hyn yn digwydd yn fuan. Bydd llawer o ddiswyddiadau a bydd yn rhaid inni ailhyfforddi'r unigolion hyn sydd gennym yn gweithio yn y cyfryngau ac yn gwneud gwaith da o ran cynnwys.

freelancers. Where on earth are they going to obtain the skills? We are facing a huge digital revolution at the moment, and Wales does not want to be lagging behind. That will happen soon. There will be many redundancies and we will need to retrain those individuals who work for the media, and who carry out good work in terms of content.

[82] Yr ydym ychydig bach ar ei hôl hi gyda digideiddio, cydgyfeirio ac yn y blaen, a'r sgiliau sydd ynghlwm â hynny. Mae angen gwneud rhywbeth yn awr gyda'n sefydliadau addysg uwch a phellach a darparwyr hyfforddiant, ac yn uniongyrchol gyda'r cwmnïau a gweithwyr llawrydd yn y sector.

We are a little behind when it comes to digitisation, convergence and so on, and the skills that are linked to that. We need to do something now with our higher and further education institutions and training providers, and directly with companies and freelancers working within the sector.

[83] **Mr O. Prichard:** There are two entirely different scenarios within our sector. On the bus side, you have five big bus companies governing about 90 per cent of bus activity in Wales, and on the freight side, 90 per cent are small operators. So, they are two entirely different sectors. One is on the up, because of the economic crisis. More people are returning to the buses, and, for the first time in years, most bus companies have a waiting list of people who want to join them, whereas, historically, they have had an annual staff turnover of about 20 per cent to 25 per cent. They have used ReAct, which is a good scheme and simple to use—I have used it in a previous life, and we got some wonderful employees from that, from companies that have gone through the hoop, unfortunately. They are definitely interested in ProAct, but they are not using the scheme to any extent at the moment.

[84] **Gareth Jones:** Symudwn ymlaen at **Gareth Jones:** We will move on to David David Melding. Melding.

[85] **David Melding:** I want to look at the recession and its impact on priorities. We now realise that the recession is likely to last a year or two. Like the whole global economy, we will probably have a significant contraction, from which it may take some three years, beyond the direct period of recession, to recover. So, we may not see a return to the 2007 output until 2013, but I do not think that this is a particularly gloomy scenario, because there are people out there who are making much more dire predictions. This event is probably equivalent to the recession of the late 1940s or the early 1980s, and that is what we have to plan for.

[86] When the Government was developing its strategy on skills, 'Skills that Work for Wales', the initial focus was on improving basic skills, and despite being pressed by the opposition, the Government did not feel that it was appropriate to take forward one of the main recommendations from the Leitch review of also targeting and raising the bar on intermediate skills. It expressly decided not to do that. Given that unemployment will probably reach 10 per cent to 12 per cent, using past experiences as a guide, many of those people who have become unemployed will not be deficient in basic skills, but there will be a great need for them to retain their intermediate skills or perhaps to move to allied areas to seek employment during the upturn. So, are you confident that the Government's focus on basic skills is the best way forward, given that we will be in a somewhat prolonged recession and economic downturn—when the strategy was designed, we did not think that there would be an increase in unemployment on the scale that we now face—or should we concentrate and

work more on retaining the level of more skilled workers, and ensuring that, when economic opportunities present themselves, they will be in a position to re-engage in the labour market, as soon as possible?

[87] **Ms Moore:** Perhaps I could come in on that first and, from my experience in other countries around the world, comment on why basic skills are so important. In a small country with a small population, what do we have to sell? It is our skill level. If we do not get our basic skills level higher, Wales will remain in that low quartile compared with the rest of UK, and indeed with elsewhere in Europe. So, that emphasis is correct, but we do not see it as being exclusive. That has never been our understanding, and our own plan does not only focus on basic skills.

10.40 a.m.

[88] As Owen mentioned earlier, we are trying to ensure that if we give something to an employer or offer them an opportunity, we get them to sign up to the basic skills employer pledge at the same time. That is listed in one of the outcomes of the economic summit as being a target that is to be increased to a much higher level. We do not see that as a contradiction. In the most recent political speeches that I have heard, upskilling and re-skilling are certainly mentioned to the same extent. That is very much what the SSCs are working towards. We do not see them as areas that rule each other out. That sounds a bit like a politician's answer that I have just given you, David. I am in the wrong job.

[89] **Mr O. Prichard:** It is a matter of balance. It will take a major driver. Hopefully, something that can bring about the economic upturn is regeneration, which includes some of the schemes that the Deputy Minister for Regeneration is putting forward in some of the most deprived areas within Wales. Therefore, it is a matter of balance. There is a need for basic skills and to make sure that communities can engage in such projects and other work. Intermediate skills are also important. I put it two ways, particularly in the case of the built environment. There are new skills coming forward in waste, sustainability and water, along with all the new skills that may be required in terms of bricklaying. Do we need bricklayers in five years' time? What sort of bricks will they be laying? It is more than likely a case of equipping someone with those intermediate skills to be effective in a couple of years' time. As far as I am concerned, it is a matter of having a balance between the two.

[90] **Ms Taylor:** I would wholly agree with that. In the waste management sector, for example, 80 per cent of the existing—

[91] **David Melding:** It might help to hear from someone who disagrees with that. We will assume that the other witnesses agree as we need to gather some pace.

[92] It is important that we have clear and accurate evidence from you. I presume that you believe that the strategy developed prior to the recession is fit for purpose to take us through the recession and beyond, with some minor modification, perhaps. I am not saying that it has to be fixed in stone but, in general, do you think that the approach is still appropriate?

[93] **Ms Taylor:** Yes. We have the sector priority fund, which will be the tool through which we will help to deliver some of the intermediate skills. I think that that is why we have emphasised the importance of that fund being available to the sector skills network as a whole.

[94] **Mr Thomas:** One thing that should be mentioned is that many managers have never come through or managed in a recession. There is no mentoring activity to help people—key business decision makers—to be able, fleet of foot, to manage within a recession and a falling market, to even maintain their business in some form. That is something that we have missed.

One of the proposals in many sector skills councils will be to look to develop that, either through sector priorities fund or through other European funding mechanisms, and to work with partners to do it; it is not just on our own. I think that that is quite important.

[95] **Ms Moore:** I think that the answer to your question is ‘yes’, David. I see no reason to diverge from that particular plan. If only we could achieve that, it would be fantastic, would it not?

[96] **David Melding:** That is very clear. My second question relates to the way in which we try to improve skills and the system of sector skills councils. I think that I have to put this to you, because, although it does not directly relate to the recession, it could impede recovery from it. Sir Michael Rake, who is the Chair of BT and one of the key advisers, I think, when the Government was developing the sector skills councils’ system, now calls the system ridiculous because there are 25 councils, and says that there is significant disengagement from the coalface of the business community, as it were. In the middle of last year, Lord Leitch said, in his estimation, that only a third of sector skills councils were fit for purpose at that point. There was a re-commissioning process and he did say that another third were middling and that only a third ‘was not up to it’, as it were. You have talked a lot about clustering; is there a message here that 25 is too cluttered and bureaucratic, and that we need a much more streamlined direct system?

[97] **Ms Moore:** I will deal with that question because in the article that you referred to, in which Sir Mike Rake was quoted, he was referring to the skills system as a whole, not to SSCs. He was talking about the difficulty that employers have in negotiating the complexity and multiplicity of schemes and so on that exist in the skills system. He went on to comment on one particular SSC, which I will not name here, because I am sure that you have read the article.

[98] The point is that there are 25 SSCs, and they are currently undergoing a process of re-licensing, the results of which we shall see shortly. I am not worried about that, because it is already happening elsewhere. I think that we have other, much more important things to concentrate on in the Welsh context. In the Welsh context, because that is the context that we have to consider here, and which your committee needs to focus on, too—without overlooking the fact that some issues cross borders, apprenticeships being one example—I think that we have a much better operating climate here than in England, and a greater degree of clarity about some of the things. We just want the things that are there to work better.

[99] **David Melding:** So, Lord Leitch’s analysis would now be out of date, or would it not be an accurate picture of the 25 SSCs as they operate in Wales?

[100] **Ms Moore:** He said that then, and I think that a lot has changed in the meantime. A number of SSCs have already gone through the re-licensing process, and we are waiting for the National Audit Office to give its judgment on the first tranche, which will be any minute now.

[101] I am not sure that this is a helpful discussion. None of us is in a position to do anything about the existence of 25 SSCs—the matter is out of our hands. Actually, it is not within your remit to do anything about them either. On the comment that you are making, I think that the point that you are trying to get at is whether, if you were starting afresh, you would now invent 25 SSCs. Possibly you would not, but then there are many things that exist in the Welsh environment that we might not think of inventing now. This is where we are, though, and we need to work as effectively as we can with the mechanisms available to us. That is the message that all of the people around the table have been trying to get across. We have tools, and we would like to be able to use them effectively. Whether there are 25 of us, or fewer, or possibly even more at the end of this year, who knows?

[102] **Gareth Jones:** A yw hynny'n iawn, **Gareth Jones:** Is that all right, David? David?

[103] **David Melding:** Well, that is the answer. I am not sure that a deficient mechanism could work, if it is deficient.

[104] **Jeff Cuthbert:** I want to raise two points, one of which follows on from what David has said, while the other is quite separate.

[105] On the first point, I remember the days of industrial lead bodies, of which there were well over 100, and then they were whittled down as bodies such as GoSkills brought together a number of industries, such as the bus and coach and rail industries, so now we are down to 25. However, as you say, Elaine, that is really not the point. With regard to dealing with the economy from the employer side, that is, from your members' side, how do sector skills councils in general—I do not want to hear about specific issues necessarily—ensure that they are advocating the needs of their members? What communications systems do you have to ensure, especially given the number of small businesses in Wales, that you are identifying, as reasonably well as you can, skills needs in relation to the current situation and, as far as one can predict them, in relation to the future? What is the mechanism for that?

[106] My second question is on the totally different subject of European structural funds. No-one suggests that European structural funds for convergence or competitiveness will solve the problems of the current downturn, but they can help. How do you see yourselves engaging in that process to ensure that the views of your members are heard? Employers are represented on the programme monitoring committee, generally speaking, but how do you ensure that the skills agenda, through the Lisbon agenda, is being addressed to your satisfaction? We know that spending on that will continue until 2015, and projects are coming online now, having been approved. There will be 70 announced tomorrow—that is the running total—and now they have to start delivering on the ground. How do you ensure that your members' voices are heard with regard to that spending?

10.50 a.m.

[107] **Ms Moore:** I will kick off on the mechanism for engaging with employers. As you might expect, given the diversity of the footprints, there are diverse methods for doing that, and perhaps we could take some examples from the people who are sitting here. It is relatively easy to get large employers to come to meetings and sit on a country-level board or forum, for example, and there may be already existing fora in which they participate. It is much more difficult when you have a sector in which the majority of businesses are sole operators or micro-businesses, so SSCs have to be quite innovative and creative in how they engage with employers. Perhaps we could go across the table and find out about this.

[108] **Ms Taylor:** Perhaps we are blessed in our SSC, because many of our members are in highly regulated industries. We have UK-level power sector skills strategy groups for the power industry—for generation, transmission, distribution and supply. We have another one across the water sector, and we have a similar one across the gas sector—upstream gas. We also have in our cluster the waste management sector and downstream gas—the gasfitters, who are incredibly difficult to engage with. We have tried various methods in that regard, and we are going to be trying later on this year to engage with them in trying to help them understand the change from CORGI to Capita registration, and, as a sector body, we will help to set standards for accreditation and assessment in the changes within that regulated sector.

[109] **Mr W. Prichard:** Our legacy is a bit longer, as we were an industry training board prior to becoming an SSC. I have a management board of 30 people, and they are employers

from across Wales. They range from employers of fewer than eight people all the way up to big, multinational companies. Most of the sectors represented here have their own trade bodies, so there is the Federation of Master Builders, the National Federation of Builders, the Civil Engineering Contractors Association and so on, which we need to engage with, and that is what I do. We have seven regional groups across Wales that have members reflecting those memberships, and they cascade that information out. The one good thing about IT communication is that you can make minutes visible and leave people to comment on them.

[110] One of the interesting things that we have taken the courage to do is to set up an apprenticeship forum. We now have apprentices in each further education college talking about certain issues. The first question that we have asked them is on the economic downturn and how it is affecting them and what they expect us and colleges to do. That has been interesting. So, we have quite a strong mandate from employers.

[111] **Mr Thomas:** Due to the nature of our sector and the fact that there are so many individual small businesses, we tend to engage with stakeholders through the National Farmers Union, the Farmers Union of Wales, the British Association of Landscape Industries, the National Equine Forum in the horse sector, and the Society of Floristry. We will have twice-yearly meetings with those bodies, and we will bring representatives of each of those sectors together in an all-Wales advisory group meeting, which also meets twice a year. Much engagement is done electronically, via newsletters. The important thing is that we engage with them, and our staff go out to their meetings. So, we do not just sit in Builth Wells waiting for them to come to us; we make ourselves available to talk to groups, to speak at meetings, to share labour market information and so on.

[112] **Ms Hughes:** Mae sefyllfa debyg yn ein sector ni. Mae gennym fwrdd Prydeinig ac is-fwrdd i bob un o'n is-sectorau. Yng Nghymru, mae gennym fwrdd Skillset Cymru, a arweinir gan un o'r darlledwyr, ac mae saith cynrychiolydd o'r sector, a chynrychiolwyr o'r undebau, yr asiantaethau masnach ac o Asiantaeth Ffilm Cymru ar y bwrdd. Felly, mae pob un o'r grwpiau yr ydym yn ymwneud â hwy yn eistedd ar y bwrdd. Mae'r cadeirydd yn eistedd ar y bwrdd Prydeinig i sicrhau y cynrychiolir Cymru ar y lefel honno.

Ms Hughes: There is a similar situation in our sector. We have a British board and a sub-board for each of our sub-sectors. In Wales, we have the Skillset Wales board, which is led by one of the broadcasters, and there are seven representatives from the sector, and representatives from the unions, the commercial agencies and from the Film Agency for Wales on the board. So, each of the groups that we deal with sit on the board. The chair sits on the British board to ensure that Wales is represented at that level.

[113] Mae gennym system dda iawn o gasglu ymchwil ar anghenion sgiliau'r sector, ac yr ydym yn casglu hynny ar lefel Brydeinig. Un peth da yr ydym wedi ei wneud gyda Llywodraeth y Cynulliad yw defnyddio rhaglen datblygu'r gweithlu i wneud yn siŵr bod y wybodaeth sy'n cael ei chasglu gan fusnesau yn cael ei throsglwyddo i ni. Flwyddyn neu ddwy yn ôl, nid oeddwn yn gweld y wybodaeth honno; nid oedd yn cael ei recordio ar fas-data fel bod modd i bawb ei gweld. Mae hynny'n ffordd syml iawn o gasglu gwaith ymchwil ar sectorau fel bod y wybodaeth honno yn cael ei throsglwyddo i'r cynghorau sgiliau sector.

We have a very good system of collecting research on the skills needs of the sector, and we collect that at the British level. One good thing that we have done with the Assembly Government is to use the workforce development programme to ensure that the information that is collected by businesses is transferred to us. A year or two ago, we did not see that information; it was not recorded on a database so that everyone could see it. That is a simple way to collect research on sectors so that the information is transferred to the sector skills councils.

[114] O'i gymharu â'r pedwar cwmni oedd ar y rhaglen flwyddyn yn ôl, mae gennym 33 cwmni yn awr, sy'n wych. Mae gennym wybodaeth fanwl ar yr anghenion. Gwn fod 33 allan o 600 o fusnesau yn nifer gymharol fach, ond mae fwy neu lai yn canolbwyntio ar faes teledu ar hyn o bryd. Fodd bynnag, mae gennym wybodaeth fanwl iawn ynglŷn â sgiliau'r cwmnïau hynny. Yr ydym yn awr yn cynorthwyo'r cwmnïau hynny i gael arian hyfforddiant gan S4C, sy'n £400,000 y flwyddyn i ddatblygu sgiliau a gwneud yn siŵr eu bod yn ateb gofynion digidol, ac yn y blaen, fel y bu imi awgrymu yn gynharach.

Instead of the four companies that were on the programme a year ago, we now have 33, which is excellent. We have detailed information on needs. I know that 33 out of 600 businesses is a relatively low number, but it is more or less concentrated on the television field at the moment. However, we have very detailed information about those companies' skills. We are now helping those companies to access training money from S4C, which amounts to £400,000 per year to develop skills and ensure that they can meet the digital requirements, and so on, as I suggested earlier.

[115] Felly, mae gennym system dda. Bu i mi gyfeirio at ein partneriaeth gyda Llywodraeth y Cynulliad fel rhywbeth sydd wedi llwyddo a rhywbeth yr hoffwn ei ddatblygu ymhellach a'i ddiffinio. Mae'n fodel y gall rhai o'r cynghorau sgiliau sector eraill ei gopïo gan ei fod yn gweithio'n dda.

Therefore, we have a good system. I referred to our partnership with the Assembly Government as something that has worked and something that we would like to develop further and define. It is a model that some of the other sector skills councils could copy because it works well.

[116] **Mr O. Prichard:** We are funded by the Confederation of Passenger Transport. We have a Wales employer group that meets regularly. We respond to all consultations, because our industry is highly regulated by licensing and by EU directives. So, the sector skills council responds to every consultation; that is part of our strategy. We work with all of the appropriate bodies in Wales. We work with the Wales TUC on basic skills, we work with the Basic Skills Service, and we are heavily involved with the Driving Standards Agency, for obvious reasons, and with the Driver and Vehicle Licensing Agency. We are half of the joint approvals unit, under the new EU directive on 35 hours of compulsory training for all large-vehicle bus drivers, which started last year for buses and will start this September for large vehicles.

[117] **Ms Moore:** Would you like to say something on ESF?

[118] **Mr Thomas:** It is not just ESF from our side. The rural development plan is a significant opportunity for the land-based rural sector. Although Farming Connect is up and running, we can improve uptake and we are working with the Assembly Government on that. Within the RDP and axis 1, we have sector strategies for the dairy, red meat, horticulture and organic sectors. It is important that each of those sectors ties in with the supply chain efficiency scheme. We have the strategy and a potential pot of money for each of the industries. I would welcome the approval, when and if it comes, of those strategies to take forward some significant skills and mentoring opportunities that all of those sectors would have.

[119] IT for rural businesses is another scheme that is in ESF at the moment. We would welcome that as there are significant opportunities there.

[120] I am sure that my colleagues will mention the sector priorities fund. However, in terms of ESF, for our non-agricultural footprint within Lantra—principally things such as the equine sector, fencing, floristry, farriers and so on—we are leading with all the industry bodies within each of those sectors to put together a large bid for ESF that would take forward significant training opportunities. So, that is a picture of the many opportunities that there are. I echo Elaine's opening comments that the pieces of the jigsaw are there, for the most part.

We need to ensure that we start to deliver. Some of them are there, some of them are almost ready, but we need to get on with delivery—certainly in the land-based sector.

[121] **Mr W. Prichard:** I have a general point, Jeff, on European structural funds. It is important that we provide the engagement and intelligence required to make bids successful and ensure that there are partnerships. The Welsh European Funding Office, particularly over the last 18 months, has become much more communicative and is taking evidence from the alliance and from individual SSCs.

11.00 a.m.

[122] It is no coincidence that the most successful in our sector was Construct Wales. That is down to good communication from the beginning; it brought a number of partners together. A concern linked to this debate is the Objective 1 areas and how those fit in, because there will be challenges in some areas that will fall outside the rules for European support, so we have to look at that in a rounded way.

[123] **Ms Hughes:** Nid oes gennyf ddim byd mawr i'w ychwanegu, ond bu ychydig o gymhlethdod am y gronfa blaenoriaethau sgiliau a chronfa strwythurol Ewrop. Mewn gwirionedd, dyna'r unig ddau bot ariannol y gall y cynghorau sgiliau sector eu defnyddio ac mae'r ddau yn ddibynnol ar arian Ewrop.

Ms Hughes: I do not have anything major to add, but there was some confusion about the skills priorities fund and the European structural fund. In essence, those two funds are the only two financial pots that the sector skills councils can access and both are dependent on European funding.

[124] Bu llawer o gymhlethdod o ran beth mae'r cynghorau yn gallu ei roi i mewn, pwy sy'n rhoi pethau i mewn, a gyda pha bartneriaid. Mae diffyg cyfathrebu, neu nid yw Llywodraeth y Cynulliad a WEFO wedi egluro'r broses honno inni yn ddigonol.

There was a great deal of confusion about what the SSCs can put in, who puts things in, and with which partners. There is a lack of communication, or the Assembly Government and WEFO have not explained that process to us clearly enough.

[125] Byddwn yn tanlinellu pwysigrwydd annog darparwyr hyfforddiant i gysylltu â'r cynghorau sgiliau sector i sicrhau eu bod yn bartneriaid gyda ni, er enghraifft, o ran datblygu sgiliau yn y gweithle. Gwelais gais anferth a gyflwynwyd, am £36 miliwn, a oedd yn ymwneud yn uniongyrchol â'r diwydiannau creadigol, a gwnaed hynny heb gyfathrebu gyda ni o gwbl. Ni fu cysylltiad gyda ni, ond byddai arian o'r fath wedi bod yn ddelfrydol i ni fel cyngor sgiliau sector, er mwyn inni allu cydweithio. Mae'n siŵr mai gwaith WEFO yw hwn, ond hoffwn bwysleisio y dylai sylwadau'r cyngor sgiliau sector gael eu hystyried pan gaiff ceisiadau eu cyflwyno.

I would underline the importance of encouraging training providers to contact the sector skills councils to ensure that they become our partners, for example, on developing skills in the workplace. I saw a huge application for £36 million, which related directly to the creative industries, but it had been submitted without any communication with us. There was no contact with us, and it would have been ideal for us as a sector skills council to get funding to enable us to collaborate. I am sure that this is WEFO's work, but I would like to emphasise that the sector skills council's comments should be considered when applications are submitted.

[126] **Mr O. Prichard:** I want to make one quick point about the ESF. As a sector, we were disappointed when we received a rather short letter from the colleges stating that the Welcome Host award had ended because ESF funding had run out. It was at such short notice that we still had a programme to run and dates in our diary and so on. At some point along the line, I would have liked to see some consideration given to developing a new Welcome Host Wales or Cardiff module, for example.

[127] **Jeff Cuthbert:** I take it that you are referring to an Objective 1 funded scheme.

[128] **Mr O. Prichard:** Yes.

[129] **Jeff Cuthbert:** I thought that everyone knew when that was going to end.

[130] **Mr O. Prichard:** It was the way in which the colleges dealt with it. They did not tell the employers—and I was an employer at that time and not working at a sector skills council. We were still sending in applications for certification, but then we received a letter about a month before it ended stating that it had finished.

[131] **Gareth Jones:** We have gone past 11 a.m., but there is a final question from David Melding.

[132] **David Melding:** I want to follow up what Elaine Moore said in her robust response to my question. I should have brought my source down with me and I apologise for that. I also apologise for going back to this, although I congratulate the witness on being so well prepared. However, this is an important point about our current structures and about whether we should anticipate that they are likely to change in the short or medium term, at most. Sir Michael Rake, the chairman of the Commission for Employment and Skills, said that the commission will look at the number of sector skills councils. I quote him directly:

[133] ‘Do we have too many, do we have too few, do we need to merge some, do we need to stop some?’

[134] What is the direction of travel, and how should we prepare for what is likely to be in place in the next five years as we, hopefully, recover from recession?

[135] **Ms Moore:** I can see that you are not going to let this one go. [*Laughter.*]

[136] **Gareth Jones:** We could almost deal with that as a rhetorical question. It is a key one, but perhaps we should ponder on it. There will be further opportunities to elaborate on that—unless you really want to push for an answer, David.

[137] **Ms Moore:** I can give a brief answer. Members will recall that our predecessor, the Sector Skills Development Agency, had a regulatory role. That has not passed to the alliance in any way. I do not have any oversight of the work of my colleagues around the table. We are trying to work together to be more effective at the collective level in Wales. However, the UK Commission for Employment and Skills has that regulatory role and, as you might expect, that sentence asks all the questions but gives no answers. All Sir Mike is doing is saying that this is what we have, but is it the right number? Should there be more or should there be fewer? We will know in August what the commission decides, because it is up to it to make a ruling on the basis of the evidence that it has received, namely the very robust process of audit carried out by the National Audit Office. We could lay bets, and perhaps you will stand me a drink if I am right about the number.

[138] **David Melding:** We are not in a culture that encourages the consumption of alcohol. [*Laughter.*]

[139] **Ms Moore:** I am a teetotaler, so you will be buying me a soft drink.

[140] **Gareth Jones:** Fel y dywedais, yr **Gareth Jones:** As I said, we have run over ydym wedi mynd heibio ein hamser—mae'n our time—it is now 11.05 a.m. but I hope that 11.05 a.m. ond gobeithio y bydd y pwyllgor the committee will indulge me if I make a

yn fodlon imi wneud ychydig o sylwadau. Bu inni ddechrau gyda phapur gan y gynghrair a oedd yn ddefnyddiol, ac yn barchus a chwrtais iawn, ond bu'n sesiwn graffu hynod lwyddiannus. Bwriad sesiwn graffu mewn unrhyw pwyllgor yw nid gweld bai ar y Llywodraeth nac ar neb, ond gweld a allwn gydweithio fel bod pethau yn gweithredu'n fwy effeithiol, yn enwedig ar adeg argyfyngus fel yr ydym ynddi. Wrth i'r drafodaeth a'r craffu fynd rhagddynt, amlygwyd cwestiynau a phryderon y dylem fod yn ymwybodol ohonynt, a bu ichi rannu'r wybodaeth honno gyda ni yn eithaf grymus a chllir. Ar ran pawb ohonom, hoffwn ddweud ein bod yn gwerthfawrogi eich gonestrwydd.

[141] Yn aml ar ôl sesiynau fel hyn, byddwch yn gadael y cyfarfod gan gofio am rywbeth nad oeddech wedi cyfeirio ato. Byddai croeso ichi ysgrifennu atom yng nghyd-destun sut mae Llywodraeth Cynulliad Cymru yn ymateb i'r argyfwng economaidd sydd ohoni. Efallai y gwnewch ganiatáu i ni fwrw ymlaen gydag unrhyw sylwadau o'r fath wedyn. Rhaid ichi ysgrifennu atom yn o fuan gan ei fod yn fwriad gennym roi terfyn ar yr ymchwiliad hwn yn fuan fel y gallwn gyflwyno ein argymhellion i'r Llywodraeth o fewn ychydig wythnosau. Dyna'r unig ffordd y gallwn weithio yn effeithiol. Felly, os oes gennych bwyntiau, dylech ysgrifennu atom. Diolch i'r chwech ohonoch am rannu eich sylwadau gyda ni. Bu'n sesiwn graffu lwyddiannus iawn a oedd o fudd i bawb ohonom o amgylch y bwrdd. Dymuniadau gorau i bob un ohonoch, a diolch yn fawr iawn. Dyna ddiwedd y cyfarfod.

few comments. We began with a useful paper from the alliance, which was very respectful and courteous, but it has been an exceptionally successful scrutiny session. The intention of a scrutiny session in any committee is not to place the blame on the Government or on anyone, but to see whether we can work together so that things operate more effectively, especially at a time of crisis such as that in which we are currently. As the discussion and scrutiny proceeded, questions and concerns were highlighted of which we ought to be aware, and you shared that information with us in quite a powerful and clear manner. On behalf of us all, I want to say that we appreciate your honesty.

It is often the case after sessions like these that you will leave the meeting and suddenly remember something that you forgot to refer to. You would be welcome to write to us in the context of how the Welsh Assembly Government is responding to the current economic crisis. Perhaps you will allow us to proceed with any such suggestions thereafter. You would have to write to us fairly soon, as our intention is to conclude this inquiry quite soon so that we can present our recommendations to the Government within a few weeks. That is the only way in which we can operate effectively. If you have any points of that nature to make, therefore, you should write to us. I thank the six of you for sharing your comments with us. It has been a most successful scrutiny session, which was useful to us all around the table. Best wishes to you all, and thank you very much. That brings the meeting to a close.

Daeth y cyfarfod i ben am 11.07 a.m.

The meeting ended at 11.07 a.m.