



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Pwyllgor yr Economi, Seilwaith a Sgiliau](#)

[The Economy, Infrastructure and Skills
Committee](#)

07/06/2017

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o’r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i’w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Hannah Blythyn Bywgraffiad Biography	Llafur Labour
Hefin David Bywgraffiad Biography	Llafur Labour
Russell George Bywgraffiad Biography	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Vikki Howells Bywgraffiad Biography	Llafur Labour
Mark Isherwood Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Jeremy Miles Bywgraffiad Biography	Llafur Labour
David J. Rowlands Bywgraffiad Biography	UKIP Cymru UKIP Wales

Eraill yn bresennol
Others in attendance

Jo Banks	Pennaeth y Gangen Polisi Gyrfaoedd, Llywodraeth Cymru Head of Careers Policy, Welsh Government
Karen Higgins	Partneriaeth Dysgu, Medrau ac Arloesi—Y De-ddwyrain Learning, Skills and Innovation Partnership—South East Wales
Sam Huckle	Pennaeth Polisi Prentisiaethau, Llywodraeth Cymru Head of Apprenticeship Policy, Welsh Government
Julie James Bywgraffiad Biography	Aelod Cynulliad, Llafur (Y Gweinidog Sgiliau a Gwyddoniaeth)

Assembly Member, Labour (The Minister for Skills and Science)

Jane Lewis Rheolwr Partneriaeth Rhanbarthol, Partneriaeth Dysgu a Sgiliau Rhanbarthol De-Orllewin a Chanolbarth Cymru
Regional Partnership Manager, South West & Mid Wales Regional Skills Partnership

Iwan Thomas Partneriaeth Sgiliau Rhanbarthol Gogledd Cymru
North Wales Regional Skills Partnership

Dr Victoria Winckler Cyfarwyddwr, Sefydliad Bevan
Director, Bevan Foundation

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Joe Champion Y Gwasanaeth Ymchwil
Research Service

Robert Lloyd-Williams Dirprwy Clerc
Deputy Clerk

Andrew Minnis Y Gwasanaeth Ymchwil
Research Service

Gareth Price Clerc
Clerk

Dechreuodd y cyfarfod am 09:17.

The meeting began at 09:17.

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest**

[1] **Russell George:** Bore da. Good morning. I'd like to welcome Members, and members of the public watching in, to the Economy, Infrastructure and Skills Committee. First of all, I'd like to move to item 1 and ask if there are any declarations of interest. No. We have got apologies just from Adam Price this morning, and Mark Isherwood will be joining us shortly.

Sefydliad Bevan—Bargeinion Dinesig ac Economiâu Rhanbarthol Cymru
The Bevan Foundation—City Deals and the Regional Economies of
Wales

[2] **Russell George:** In that case, I move to item 2. I'd like to warmly welcome our witness this morning, Victoria Winckler. I'm very grateful for you being with us. I know you've not been to this new committee before. I understand you've got a busy day—you're before another committee later on as well. Would you just like to introduce yourself for the record?

[3] **Dr Winckler:** Okay. I'm Victoria Winckler, and I'm director of the Bevan Foundation, which is an independent think tank that generates new ideas to make Wales fair, prosperous and sustainable. And can I apologise for my voice as well?

[4] **Russell George:** That's absolutely fine. Clearly, we're doing a piece of work on the city deals and the regional economy, and you've provided us with some written evidence. In regard to city deals, you have put across some concerns about how those have been developed and agreed as well, so perhaps I could ask you just to highlight and just talk to some of those points.

[5] **Dr Winckler:** In terms of the development, there's been a bit of an interesting history, I think. The previous Welsh Government Minister for the economy initiated work on city regions and appointed a team that was doing some good work, but it was very business led. And then, the local authority city deal also came into being, and, for a period, we had two parallel, particularly in Cardiff capital region, city deals that generated a great deal of confusion. I think, quite rightly, we now have the local authority-led one signed and in place. And although it's early days, it is quite difficult for people not on the inside to understand the basics of good governance. To me, those are, 'Who decides what, when, where and how, and how can an ordinary person or business find out which decisions affect them, and how they can have their say?'

[6] Now, it may well be that those procedures are still in development, but I think it is essential that, when we are introducing a kind of supra-local government mechanism, those governance arrangements are very clear, and that they have accountability, transparency and responsibility so that everybody knows who is taking the decisions that affect them.

[7] **Russell George:** When, two weeks ago, we had the leader of City and County of Swansea Council in before us to give evidence, and we raised some of the issues that you've pointed out now, and in your written evidence, his view was that, well, since then he's met with you and with other organisations, and your fears have now been allayed, and your written evidence may now be refreshed, if you like, because some of your fears have been allayed. Is that not the way that you understand it?

[8] **Dr Winckler:** I've certainly never met the leader of Swansea council.

[9] **Russell George:** Okay. I'll have to check the Record. It may be he mentioned other organisations like yourselves.

[10] **Dr Winckler:** And it may well be that there are arrangements in development. As someone who is not involved—as are most people not involved—in the minutiae of the city deals, it may well be that things have progressed. If they have, that's excellent news, but certainly, as of right now, I'm not aware that matters have changed.

[11] **Russell George:** And your involvement—you said you've not met with them at all. Have they asked for your input, or have you offered it?

[12] **Dr Winckler:** They haven't asked for our input. We made local authority leaders aware of our interest in the issues before the election, but clearly there have been local government elections since, and the way that the rules work on charities is that we keep our heads down in those periods, in elections. So, we haven't made contact with whoever is the new leader of Swansea, or any local authority, as of yet.

[13] **Russell George:** Okay. That makes it more difficult, with two elections—one coming after the other. Okay. I'll come to Hannah Blythyn. I might come back to some further questions later. Hannah.

[14] **Hannah Blythyn:** Thanks, Chair. In the evidence we've had from ColegauCymru, and I think in your own evidence you've talked about how making sure the city deal and growth deals actually benefit the whole region. People had concerns it would shift—say, that the Cardiff city deal would focus on Cardiff and the jobs there, whereas certainly it could have a negative impact, a detrimental impact, on the areas around it. What specific interventions or action do you think needs to be taken to mitigate that and to

ensure that doesn't happen?

[15] **Dr Winckler:** We've suggested one major policy intervention should take place, and the more time goes on, the more firmly convinced we are that this is a way forward. That intervention is to designate areas within the city deal away from the city as growth hubs, so that that ensures a balanced geographical spread. Now, we've recommended that one of those should be Merthyr Tydfil, because it met some of the criteria that we felt were important around having a substantial population within its catchment, having key anchor organisations in place, having some signs of already being attractive to private investors. We're not suggesting that should be the only one, by any means, but I think a clear spatial strategy is what's needed, and, unfortunately, neither the city deal nor the growth and competitiveness commission report for Cardiff set out what a spatial strategy might look like. The growth and competitiveness commission alluded to needing a spatial strategy. This is not easy, but the difficult decisions were, to be cynical, kicked into the long grass, really. But that's what I would say is needed—a clear set of interventions to make sure that the benefits are spread geographically.

[16] **Russell George:** Jeremy Miles.

[17] **Jeremy Miles:** Thank you, Chair. I should have perhaps declared at the start that I'm a member of the Bevan Foundation, as an interest. I represent a constituency that is not at the heart of the region that it forms a part of, so this is quite a live issue for most parts of the region—by definition, actually. I know that you have worked for the Welsh Government on bus services, for example, and it strikes me that one of the key differences between the Cardiff deal and the Swansea deal is the absence of a transport dimension in the Swansea bay proposals to date. Recognising that the metro isn't the solution to all the spatial points that you've just alluded to, what is your take on the likely effect of the absence of that offer, if you like, in the Swansea bay deal?

[18] **Dr Winckler:** That's an interesting question. It could actually be beneficial, because I think it could force people to think more creatively about the mechanisms for regional development in that area. I think the risks with the approach in the Cardiff city region are that the metro is the be-all and end-all and the magic solution, which some of us, myself included, think won't necessarily work. I think that it could, in the Swansea city region, force more creative thinking and if some of the transport solutions centre around

bus rather than rail, that potentially could have more benefit for people on low incomes, because people on low incomes use buses rather than trains, and buses have much more flexibility to reach some of the more disconnected communities. So, even in, say, the Cardiff city region with the metro, will it reach some of the estates outside Tredegar? Will it reach the upper end of the Rhondda? I'm not sure that it will, and, therefore, you need a bus strategy, as well. So, in Swansea and in the other city regions, I think, perhaps, thinking more creatively about connectivity might actually be a bonus for you.

[19] **Jeremy Miles:** Thank you.

[20] **Russell George:** In your evidence, you mentioned that the intended impact on the city deals agreed to date is 'relatively narrow' in focusing on job creation and gross value added. Can you expand on that a little?

[21] **Dr Winckler:** I think the first thing with GVA is that GVA is a very crude measure of prosperity, and there are all sorts of technical reasons for that. But, actually, I think the fundamental one is it is possible to have a high GVA and still have a lot of people not benefiting from that prosperity. You only have to look at London, which has GVA of about three times that of Wales, and yet very, very high levels of poverty. So, I think that's the first thing: although the focus on GVA is fine, it's not enough on its own.

[22] Similarly, the focus on job creation is also fine. Who wouldn't want more jobs? But unless you also look at the questions of who gets those jobs, where are they, what are the rewards that go with those jobs, then you risk not bringing the benefits that you've promised. So, that's why we're suggesting that a broader approach that looks at a whole range of different measures of inclusiveness or inclusivity would be beneficial.

[23] **Russell George:** Sure. With regard to indicators, I see that you're working with the Joseph Rowntree Foundation to develop some indicators for the city deals. As I understand it, the Joseph Rowntree Foundation has also done some work in that regard in Manchester and Leeds. So, how might that influence what you're proposing here?

[24] **Dr Winckler:** We don't yet have the funding for that work, although I've got all my fingers and toes crossed. I hope we will know by the end of the month. What we will do, if that's successful, is that we will look at the indicators that they've developed for Manchester and Leeds, and, if they're

appropriate, we will use those and adapt them for the circumstances in Wales's city regions. I think we will then use those to benchmark change over the next four years. What's helpful about those is they don't just take the headline things like GVA and number of jobs, they look at things like housing affordability, at wage rates and at access to jobs for different groups of the population. So, I think they would give a more sensitive and more nuanced, if you like, measure of how well we're doing.

09:30

[25] **Russell George:** I think you said at the beginning that you haven't spoken to the local authorities, so, you've not spoken to them with regard to indicators, either.

[26] **Dr Winckler:** No, not yet.

[27] **Russell George:** Okay. Hannah wants to come in.

[28] **Hannah Blythyn:** Just to come in very briefly, the work that you'll be doing looking at the city deals and that you're hoping to get the funding for, will that be both city deals and the north Wales growth deal as well?

[29] **Dr Winckler:** It depends how much money we get, but, yes, it is meant to be an all-Wales piece of work.

[30] **Hannah Blythyn:** Thank you.

[31] **Russell George:** Okay. What monitoring would you like to see? What are the priorities in terms of what monitoring you would like to see?

[32] **Dr Winckler:** The first thing is we'd like to see monitoring, and monitoring on a range of indicators, because it is still the case that if you measure it, it tends to force people's minds to make sure they achieve it. Certainly in Manchester, and I think in Leeds, there are what they're calling intelligence units, who are using their local knowledge, looking at how the regional economy is developing. So, I would like to see fairly regular outputs that are a decent, fair and honest appraisal of how the city deals are progressing.

[33] **Russell George:** So, just explain; I don't understand how it works in Manchester and Leeds with regard to how they monitor.

[34] **Dr Winckler:** How it works in Manchester is that there is a unit based in Manchester university, co-funded by the Joseph Rowntree Foundation, which is researching and monitoring the Manchester city deal. That includes a fairly chunky strand on business and skills, looking at futures, looking at what the trends might be and what might be the impact of, say, artificial intelligence, Brexit or a whole range of different possible forward looks. And then they work with the authorities to help to develop appropriate responses to those things. The idea is that you have a partnership and it's a flexible and responsive one.

[35] **Russell George:** And, did the local authorities ask for them to do that, or did they offer to do it, or—?

[36] **Dr Winckler:** I'm sorry, I don't know that.

[37] **Russell George:** Okay. In that case, we come to Vikki Howells.

[38] **Vikki Howells:** Thank you, Chair. I should declare an interest as well, actually, as I'm also a member of the Bevan Foundation. As a Valleys AM, I'm particularly interested in how the city deal could diffuse well across the region, but I understand that you have some reservations regarding this. So, I wonder, first of all, if you would mind expanding on your comment that the Bevan Foundation is not persuaded that sufficient emphasis has been given, in the city deals to date, to reducing poverty and inequality.

[39] **Dr Winckler:** If the city deals were committed to reducing poverty and inequality, I would expect to see that as a headline objective and it's just not there, nor is it there in either the Cardiff or Swansea city deals in terms of something that they're trying to achieve. If you look at the key interventions that they will make, whether it's metro or investing in life sciences and energy, or the arc of innovation along the M4 corridor, there's a big question mark in my mind about the benefits of those interventions to reduce poverty.

[40] If there is any benefit at all, it's based on the assumption of trickle-down, so that the people at the top get these high-paid jobs and then they go and spend, and because they're buying local goods and services, the idea, then, is that there's a benefit to people lower down the income distribution because they get the jobs. That model doesn't necessarily work. People on high incomes don't necessarily spend their money in local shops or on local services, and even if they do, they could well actually be continuing in

poverty if those jobs are very low paid or on flexible-hours contracts. If those high-paid jobs actually result in housing costs going up, then the people at the bottom of the income distribution actually fare worse, because their housing costs have gone up. There's certainly some evidence that that's happened elsewhere. So, I don't see, in the documentation, that there is sufficient emphasis—I don't see any emphasis, to be honest—on reducing poverty as an objective.

[41] **Vikki Howells:** Thank you. And what would you say, then, in response to the question raised by the future generations commissioner who asked, regarding the Cardiff capital region city deal, 'What difference will this make to a single mum from the Valleys, her children and her grandchildren?'

[42] **Dr Winckler:** Absolutely. I think that is the question to ask. And I don't see sufficient provision within the plans that we have at the moment that would offer that person, or any other person in similar positions, anything.

[43] **Vikki Howells:** So, do you think that the city or growth deals could improve the skills and quality of jobs on offer in the region, or are you not persuaded on that?

[44] **Dr Winckler:** It could. It could, because I think what we have at the moment are just some headline documents, and I accept—I hope—that there's a lot more work behind the scenes of those documents, but we don't have them yet. And I think if it's done well and with a focus on reducing poverty and spreading the benefits geographically as well, I think it could improve skills and it could raise wage levels. For example, we should be looking for a commitment and an expectation for businesses to pay the voluntary living wage. The clue is in the name, it's voluntary, but there should be much more expectation that, if you want to benefit from Welsh Government grants or any sort of public funding, you will be committing to decent terms and conditions. We should be keeping our eye on housing costs, for example. We certainly need to dramatically step up the provision of adult skills. There is very, very little indeed at the moment for adults wishing to enter, re-skill, upskill or change work. There's virtually nothing. And I think we may well find that, if the city deals are as effective as they should be, that that will become a real pressure point.

[45] **Vikki Howells:** Thank you.

[46] **Russell George:** Jeremy Miles.

[47] **Jeremy Miles:** You talked about the limits or the ineffectiveness of trickle-down economics, which I would agree with, and the issue of low-paid work and so on. Some of the sectors focused on in the city deals are the sectors of tomorrow, if you like—I'm thinking in particular of my own region, but it's true also in Cardiff. What there isn't, it seems to me, is any recognition of those kind of mundane sectors, the foundational economy sectors—care, housing, community, energy, and so on—and some of us have spoken about whether we should have a kind of community deal, if you like, alongside the city deal, which would support the same kind of strategic regional way of shoring up that part of the economy. Do you see that there is potential within what's currently on the table, then, for a city deal, to use some of that resource to develop some of those sectors as well, or does that require a separate approach, a separate arrangement, and a separate funding stream?

[48] **Dr Winckler:** That's two questions, I would think. I think the first one is: do we need to focus on the foundational economy? Absolutely, yes we do. I mean, it is where the bulk of low-paid work is, and work we're just finishing with Warwick University shows that some low-paid sectors have got a really sticky floor. So, if you are in accommodation and food, for example, in a low-paid job, you're very much less likely to escape that low pay than if you work in financial services, for example. I can't remember the statistics off the top of my head, but the difference is quite dramatic. So, you can have two people on the same pay rate, but one will move on and the other one won't. So, focusing on those low-paid sectors in terms of improving pay and conditions, but also improving productivity, improving qualifications and skills is absolutely crucial. So, that's the first bit of the question.

[49] The second bit of the question is: how do you do that? I'm not so sure that some of the changes that are needed can be done at city deal level. Some of the changes are probably best done at all-Wales level, so, regulation, for example, the code of practice on ethical employment, which, I think, if it had teeth, is great, and guidance on the fees that'll be paid for social care and that kind of thing. I think some of those are probably best done at all-Wales level. I think where at possibly community level rather than city region level you can get a big bang for your bucks is in building that relationship between perhaps procurement in housing and local economic benefits. I think the idea of four city deal or growth areas all trying to solve the problem of low pay and social care doesn't quite convince me, to be honest. But I think the fundamental question of focusing on those

foundational sectors, which are the ones that will always be here—semi-conductors may up and go, who knows, but those foundational sectors will always be here—is absolutely key, absolutely key.

[50] **Russell George:** Mark Isherwood.

[51] **Mark Isherwood:** Thank you. Well, in—. Oh, I think should declare, I am also a member of the Bevan Foundation. In previous evidence from Cardiff, Swansea and north Wales, we heard from them, as opposed to the UK Government, that they had had a great degree of freedom in putting together their plans and the expectation from the centre was that they exercised local knowledge rather than simply having perceptions parachuted in upon them. But it's also evident, certainly in north Wales, that there's a sensitivity in the third sector that they aren't well represented at board level in terms of the community voice, the activist voice—the people and community input.

[52] How important is it that we achieve that and, broadly, what consideration have you given, for example, to the work of the North Wales Business Council, who have looked at the onion ring? They've looked at—and you discussed GVA earlier—how the GVA slope moves from Manchester to Anglesey, progressively downwards to the poorest, or least prosperous, part of the UK in terms of the value of goods and services produced per head, and deliberately and specifically talk about designing the bid to close that gap once and for all within the issues we're talking about. Is that the right way to be progressing this?

[53] **Dr Winckler:** I think focusing on closing the GVA gap is very important. The idea of the slope is quite a nice one—you can see that in south Wales as well, as you go north. The question of representation is an interesting one, because, if you start having—. I think the model is that they are combinations of local authorities, which is fine, provided that those local authorities are engaging with the wider community. I wasn't aware, I must say, of the calls in north Wales for greater involvement of the third sector. I certainly think a diversity of voices is important. Whether you need to do that on the board or through other mechanisms—not sure, but I think it's back to my original point, which is: do people know who's taking decisions, on what, where, when and how, and how do they have their say on those decisions? That's the fundamental question. You then need the arrangements in place to make sure that people have—. I have to say that simply having a third sector voice on a board doesn't necessarily mean that the third sector is represented. The third sector's enormously diverse and the person on the

board may not, you know—. Similarly with business. So, I think we're feeling our way in the dark a bit here.

[54] **Mark Isherwood:** I'm thinking—[*Inaudible.*]—LVCs, local voluntary councils, are involved in some of the meetings, they're members of the growth partnership, but they've been excluded from ministerial meetings, for example. Should it be, therefore, the local voluntary council, or should the sector be selecting from within itself an appropriate and nominated representative?

09:45

[55] **Dr Winckler:** I think that really is a matter for the sector to decide. I don't have a view. I think it is about what works, what's the most effective mechanism. LVCs have strengths. They also have weaknesses.

[56] **Mark Isherwood:** So do local authorities and businesses.

[57] **Dr Winckler:** I think—. I think, if you're going to have third sector representation there, you need to be clear what it is they're representing. Are they representing a particular way of delivering services? Are they representing a particular set of interests in terms of service users? I would be very uncomfortable at the idea of city deals just being local authorities and businesses, I must say.

[58] **Mark Isherwood:** Thank you.

[59] **Russell George:** I've got Hefin, Jeremy and David. We do need to finish at 10 o'clock, so we're quite tight on timing.

[60] **Dr Winckler:** Yes, that's fine.

[61] **Russell George:** I'm telling our witnesses, not you. You're fine. Sorry—I'm telling our Members. So, I may not be able to accept some supplementaries, but I'll make sure David gets in, because he's the last speaker. So, Hefin.

[62] **Hefin David:** I'm always as fast as I can. To what extent do you think in reality the city deals are different from each other?

[63] **Dr Winckler:** They're different in local context. I think they

fundamentally all operate on the same model of the economy, which is—I was thinking about this on the train on the way here. It's almost like a black-box model, so, if you put the investment in then somehow this magic happens in the black box and somehow, out the other end, you get GVA and jobs. I think the black boxes are all the same, because they're based on the same model of the economy, and so to that extent they're the same.

[64] **Hefin David:** And do you think, then, therefore, that demographics and geography and levels of inequality have a sufficient impact on those deals?

[65] **Dr Winckler:** If we look at the Cardiff city deal, we are dealing with a city deal that has in the majority of its area one of the poorest communities in the EU. You wouldn't know that from the Cardiff city deal. Therefore, if people from outside the city centre, outside this arc of innovation on the M4, feel a bit cynical and a bit aggrieved then I think it's understandable, because there's no real flavour that this is the scale of the problem that you're dealing with. Now, I think there were time pressures with that particular city deal's signature, and it may well be that what we see in subsequent plans—I mean, I sincerely hope that this city deal document isn't all we're going to get; I hope we're going to get some sort of more detailed planning, and I hope that we will see some recognition of the scale of the challenge that we've got in south Wales, and the ability to take a more innovative and pro-distribution approach.

[66] **Hefin David:** Notwithstanding the geographical spread of the various city deals, but based on what you've said about this being based on this black-box concept—a single economic idea behind it—is it therefore possible that the city deals are competing with each other and that there's a limited amount of wealth to spread?

[67] **Dr Winckler:** I don't think there's a limited amount of wealth to spread. I think one of the positives of the city deals is that they could be wealth creating. I think the risks of competition between the different parts of Wales, and indeed different parts of Wales and England, are quite significant. For example, there is scope, certainly in the Cardiff one—and I think in the Swansea one—for the devolution of business rates. You can see that, within one area, those authorities might think, 'Oh, great. We can regenerate our town centre by cutting our business rates', but, if everybody does that, you get a race to the bottom, and the risk is that you just get the displacement of economic activity that shuffles round. I think that risk is especially great in south Wales in particular, where the boundaries are really fuzzy. I think I put

in the evidence—. I mean, more people commute between the Swansea bay and Cardiff city deals—you've got more cross-boundary movement there than you've got from the Heads of the Valleys to Cardiff within the Cardiff city deal. So, we've got really quite fuzzy boundaries, and that's why we think that we need a really strong all-Wales framework to prevent that competition between areas, and to hold in check that race to the bottom.

[68] **Hefin David:** One of the things also is the geographical nature as well. If you think about the Manchester deal, it's quite a concentric area, whereas the Valleys, as you've just said, have these tunnels and corridors into Cardiff. Does that then disadvantage the Cardiff capital region compared to, say, the Manchester deal?

[69] **Dr Winckler:** I think the Cardiff and the—. Well, I think all the city deals are actually more geographically challenging in terms of their—. So, I think the connectivity is actually much more difficult, particularly the Cardiff one, where you've got a lot of sideways movement across Valleys—it's not just up and down. I think it does make it more difficult, and I think that's why we've got to be smarter and cleverer. And I think the idea that we can all get on a train or a bus to Cardiff or to Swansea—you know, it's fundamentally flawed.

[70] **Hefin David:** Okay. Doesn't then, therefore, cross-Valleys connectivity answer some of those questions? I think you did touch on it when you—

[71] **Dr Winckler:** Yes, I think cross-Valley connectivity is very important. Already—you know from your own experience—people, particularly people living at the top of the Valleys, don't necessarily all commute to Cardiff; the numbers commuting to Cardiff are actually quite small. People living in Blaenau Gwent, for example, will go shopping in Gloucester or in Cwmbran rather than go to Cardiff. The geography is really quite complicated, and I think it means that the kind of simple solutions won't work.

[72] **Hefin David:** Okay, thank you.

[73] **Russell George:** Jeremy Miles.

[74] **Jeremy Miles:** Do the city and growth deals better address the economic priorities of the UK Government or the Welsh Government?

[75] **Dr Winckler:** They certainly address in the headline measures the priorities of the previous UK Government. They are very much from

Osborne's emphasis on productivity growth and on gross value added. However, they operate within a Welsh context. There are clearly things that are in other city deals that aren't here, like mayors, for a start. I see no reason why done, developed, and delivered, they can't fit Welsh Government policies as well, but they'd need a firm steer on this inclusivity stuff.

[76] **Jeremy Miles:** So, on that point, then, obviously we're waiting for publication of the new economic strategy later this year, but, to meet the objectives of the economic growth deal, if I can use that short term that you described compellingly in your note, what would the Welsh Government's new economic strategy need to have that its current approach does not have?

[77] **Dr Winckler:** I would say No. 1 to move away from the focus on a limited number of sectors, so that it embraces—. It's not picky about—you know, to my mind, a job is a job is a job, and all industries produce GVA output. Why would you want to just pick a few of them? And then, as part of that, that then opens the door to include the foundational economy. So, that's the first thing we'd like to see in an all-Wales strategy.

[78] The second thing is we'd like to see a focus on job quality, particularly around wages and terms and conditions, and then the third thing is around a geographical recognition that one size doesn't fit all across Wales, and that, if we're going to get the kinds of improvements in living conditions, there has to be some geographical prioritisation. At the end of the day, we have some of the poorest parts of the EU on our doorstep, and, if we're going to improve people's lives, we've got to take some decisions and, you know, give some priority to those places.

[79] And then I think the fourth thing, which we probably didn't develop in our submission to the Cabinet Secretary, is I think we need to think in new ways about how we stimulate economic development. So, we're still in a grants and, to a lesser extent, loans mentality. I think understanding where it is in the firm's decision-making process, and what it is that the public sector does—that can make a difference. It might be that it isn't our grants and loans and advanced factories approach that is what matters at all. It might well be that it's things that affect their bottom line, for example, in terms of taxation. We have argued in the past for a tax credit for innovation. There's no reason why we can't look at things like subsidies for national insurance contributions that would help to support job creation, for example, or why we couldn't be thinking about tax breaks or tax penalties if companies are employing people on poor terms and conditions. It's a whole area of work

that needs to be done. We've only touched the tip of the iceberg. But I think getting much smarter and thinking differently—that's what I'd like to see.

[80] **Jeremy Miles:** But you're saying, 'Ditch the grants'.

[81] **Dr Winckler:** I'm not saying, 'Ditch the grants'. I'm saying, 'Think very carefully about what grants we give'.

[82] **Jeremy Miles:** Okay. Thank you.

[83] **Russell George:** David Rowlands.

[84] **David J. Rowlands:** Given that the Bevan Foundation states that it is important that city and growth deals in Wales build on the learning from other parts of the UK, and obviously looking then at the successes and the failures of the Manchester city deal et cetera, to what extent do you think we have taken those models on board?

[85] **Dr Winckler:** It might well be that the people involved in putting the Cardiff and Swansea deals have looked at what's going on elsewhere, but I don't know that they have. I just think because they began much earlier, they've done a lot of the real hard work—for example, looking at how to use procurement, looking at the role of anchor institutions. There's a lot of really interesting work being done there, and it just seems crazy to me not to take advantage of that. Why would we want to reinvent the wheel? It might be that it's not quite, to mix my metaphors, the right shaped wheel for Wales, but at least we're not starting from scratch, and at least it means some learning. We've got Ben Lucas from the RSA talking on 5 July on the lessons from his work. He was the chair [correction: was a member] of the Royal Society for the Encouragement of Arts, Manufactures and Commerce city commission, and we're hoping to do some seminars in the autumn that will look at things like procurement and anchor institutions.

[86] **David J. Rowlands:** So, obviously, building on that, what are the key lessons learnt, and perhaps the elements of best practice from elsewhere that perhaps we should be taking on board?

[87] **Dr Winckler:** That's an interesting question, and I'm not aware that anybody has systematically looked at the lessons at this stage. But my impressions are that one of the big lessons from Manchester is that if you don't factor in housing costs, and if you don't have a spatial strategy, you

will end up with some parts of your city region not experiencing any benefits at all, and actually risking disbenefits. I think in Sheffield they've done some interesting work with the living wage. I think the jury's out on what difference that's made, but I think there's a whole rich set of ideas and work out there that we could be drawing on.

[88] **David J. Rowlands:** And exploiting, yes. Thank you.

[89] **Russell George:** Can I thank you for your evidence this morning? I appreciate you've got another committee to go to later on this morning, so we'd better let you go for your break, before you go to that next committee.

[90] **Dr Winckler:** Thank you.

[91] **Russell George:** We'll take a short break.

*Gohiriwyd y cyfarfod rhwng 09:59 a 10:12.
The meeting adjourned between 09:59 and 10:12.*

Partneriaethau Sgiliau Rhanbarthol—Prentisiaethau yng Nghymru 2017 Regional Skills Partnerships—Apprenticeships in Wales 2017

[92] **Russell George:** Welcome back to the Economy, Infrastructure and Skills Committee. I'd like to welcome our guests this morning. Are you all familiar with the translation equipment? There we are. The proceedings are all recorded, so a transcript of the proceedings will be made available within a few days for you to review everything that you've said this morning. Could I ask you just to introduce yourselves for the record? We'll go from my left.

[93] **Mr Thomas:** Bore da, good morning. My name is Iwan Thomas. I'm here from the North Wales Economic Ambition Board on behalf of the regional skills partnership in north Wales.

[94] **Ms Higgins:** Good morning. I'm Karen Higgins. I manage the regional skills partnership for south-east Wales, the Learning, Skills and Innovation Partnership—LSKIP.

[95] **Ms Lewis:** Bore da. My name is Jane Lewis, and I manage the regional learning and skills partnership for south-west and mid Wales.

[96] **Russell George:** I'd like to welcome you all here this morning.

[97] The Welsh Government has got a target that apprenticeships should be aligned to the needs of the Welsh economy. Are the regional partnerships doing that?

[98] **Ms Higgins:** Yes, I think absolutely so. I mean, we're a relatively new introduction. In the south-east, we're about three years old, and, certainly through the employment and skills plans that we prepare, and the detailed planning templates that we prepare, we make recommendations to Government that influence the provision of vocational learning, post-16 learning across the board, including apprenticeships. And, more broadly, we have strong employer engagement, strong industry engagement at the regional level, which helps us to determine what those priorities are and what those recommendations are. And we are seeing some changes, some shifts. So, most definitely, I would suggest that movement is there, but things take time.

[99] **Russell George:** And if could I ask the same question to your colleagues, but ask how you are aligning, how you're doing it.

10:15

[100] **Mr Thomas:** In the north, certainly, through the economic ambition board, which has been established now for about five or six years, we've had that economic focus in terms of skills and working with partners across the region, obviously being a diverse region in terms of—as you're well aware—the kind of industrial north-east compared to the more rural north-west. But certainly, as Karen said, the employment and skills plans for all three RSPs are making a difference. For us in north Wales, what we're seeing is, in the last two to three years, the plan has been actively used by our further education and higher education partners on an annual basis to inform their future curriculum, based on the demand and supply analysis that is being provided. Because the three RSPs offer bespoke analysis in terms of the three regions, that helps to inform the offer both to future learners via our providers but also the engagement with employers to make sure that it is bespoke to our particular regions, whilst also then looking at the correlation across Wales so it fits in with Welsh Government policy but also in terms of what wider industry needs are. For us in the north, particularly, because of the cross-border element, which is stronger than perhaps elsewhere in Wales, we're very much engaging with our cross-border partners actively to make sure that that red line on the map is not a barrier in terms of provision,

employment and skills. Obviously, there are difficulties in terms of when we look at our plan because, obviously, it's funded by the Welsh Government and, obviously, we have to respect the funding boundaries that that entails, but the additional work that all three RSPs do outside of our traditional boundaries is beneficial to our providers going forward, and certainly the feedback that we have had in north Wales is certainly that it is a positive, and we see that reflected in all three RSPs across Wales.

[101] **Ms Lewis:** I would concur with what the other two have said. With our region being the south-west, obviously, we work with the Swansea city region, but also the Growing Mid Wales partnership. We have our issues with the rurality and the cross-border issues, but working with industry and with the training providers in our region, we provide a plan for the Welsh Government on the requirements of our region, moving forward, through the apprenticeship, but also the higher and further education developments. We've also started working with the schools to identify opportunities for schoolchildren coming out of school within our region, and, taking into account what will be happening through the city deal projects, through the Growing Mid Wales innovation projects, harnessing the future of the education system in our region for young people to ensure that the opportunities are there and that they have the opportunity to stay in our region as well.

[102] **Russell George:** I'm quite interested to understand the differences about how you all work as well, especially in regard to how you work with and collaborate with further education colleges and businesses. You all know how each of you work; you talk to each other. What are the differences between how you collaborate between training providers, colleges and businesses?

[103] **Ms Higgins:** To be honest, I think there are more similarities than there are differences across the three. The primary difference is that we respond to regional needs and we work within regional infrastructure and regional structures of networks et cetera. So, we very much are not trying to reinvent the wheel. We're not trying to create meetings and networks et cetera that overlay what's already there. We're working through those existing mechanisms. So, if we take that into consideration, we are responsive to our regional economies and the regional structures that exist there. We have an employment and skills board. On the employment and skills board we have a further education representative, a higher education representative, a National Training Federation for Wales representative. We

have local authorities, an education director from a local authority representing the region. We also have employer representatives as well, and we're chaired by an employer. So, across that, all of those attend as a representative of the sector and are responsible for taking information back through their sectors and networks, and then bringing information back in to drive the way that we work, and to lead the way that we work.

[104] **Russell George:** You said that you work with the Wales Employment and Skills Board. Did you say that you've got a skills board of your own?

[105] **Ms Higgins:** We've got a regional employment and skills board that was set up the day that we were set up, and that has operated since. That has a mix of what we would describe as demand—industry, supply, our education suppliers—and also what we term as catalysts. So, people like the Government and local authorities that often provide the mechanism by which some things can be responded to. So, we have the city deal, for example, in south-east Wales, so we have a member who sits on it through the city deal.

[106] **Russell George:** I'm going to ask your colleagues to comment on the same issue, but also, perhaps, to talk about how you also work with Careers Wales as well.

[107] **Mr Thomas:** I think one of the variances in terms of the regional working for us in north Wales is that we have very much a consensus in terms of approach, a basic approach, which all three regional skills partnerships are very much advocating. For us in north Wales, we've had the benefit of being able to trial innovative ways in terms of how we work with employers and providers, particularly through projects such as HMP Berwyn at Wrexham. Obviously, when you have the second largest new prison in Europe being built on your doorstep, it presents challenges in terms of how we engage, not only with communities but in terms of supply chains, and also, then, the skills, employment and apprenticeship opportunities that that presents.

[108] Certainly, what we've been able to do, through the RSP, is, obviously because we have a strong employer representation—every one of our seven sectors within the skills plan is represented in the RSP alongside providers—we've been able to look at bringing that together in an innovative way alongside the contractor, Lendlease, which is a global firm, but also then working with, for example, Wrexham as a local authority, Coleg Cambria, Careers Wales and the Department for Work and Pensions collectively to look

at a bespoke skills brokerage service, which helped deliver 100 apprenticeships and 2,000 work placement days. And obviously, we were recognised with a national Constructing Excellence in Wales award for that. We're taking that, now, in north Wales, and we're deploying that same skills brokerage approach for Wylfa Newydd.

[109] So, it's utilising an innovative way in which the RSPs can actually bring people together and say, 'Okay, we've got the standard in terms of what we expect, but how can we vary that to tailor to each of our three regional economic profiles?' And certainly, for us in north Wales, we're learning and we're being innovative, and, again, that'll be something that the other two regions will see once other projects come up the line in terms of having the opportunity to do so. But I think that's really important to look at how we can be more innovative using the scarce resources that the RSPs have.

[110] **Russell George:** If I've understood this right, there's a newly reconstructed Wales employment and skills board, you were referring to one that's set up within your RSP, but there's also a Wales-wide board. How do you work with that board? Is there overlap on?

[111] **Ms Higgins:** Our members sit on that board. Our chair and another member of our employment and skills board, an industry member, both sit on the Wales employment and skills board and therefore engage directly with that board and the decision making of that board. And all three of us sit also as a part of that board, so that we're able to connect the regional and the national agendas.

[112] **Russell George:** Okay, right, fine. Did you have anything to add, Jane?

[113] **Ms Lewis:** Obviously, we work with Careers Wales and DWP. They both sit on our board as well, and we often do joint pieces of work. We've worked with them around the tidal lagoon project to identify what the skills requirements are going to be for that project, if it goes ahead, and making sure that the delivery of that is put into place to ensure that we have the skills for that proposal, but any other proposal that may come along after that tidal lagoon.

[114] **Russell George:** And how do you also involve businesses? Have you got business leaders on each of your boards as well?

[115] **Mr Thomas:** Yes, I think there's a synergy across all three, where you

have the likes of the Federation of Small Businesses and business councils all involved—

[116] **Ms Higgins:** The Confederation of British Industry.

[117] **Mr Thomas:** —and the CBI et cetera. That's really important, because obviously, when you look at the Wales economic demographic, the majority of businesses in Wales are small businesses. So, obviously, we can't expect to reflect all of them, collectively, around the table. But having those organisations be that voice of those small businesses, particularly in each of the three RSPs is of value, and certainly, then, we engage with them in various different ways, through specific events and networks, be it looking at employability or looking at work placements. I know all three RSPs have done events in terms of engaging with those businesses particularly, because it shouldn't be something that is removed from business; it has to be intrinsic and very much part of the process.

[118] **Russell George:** So, you have representatives of FSB, the chamber of trade et cetera.

[119] **Mr Thomas:** Yes.

[120] **Russell George:** Do you have business owners on your board as well?

[121] **Mr Thomas:** We do.

[122] **Ms Lewis:** We have a board on which every sector is represented. Underneath that, then, we have cluster groups where we have representatives of a number of other businesses who sit under there, driven by their chair, who then bring their views to the board and take back any points from that board to that cluster group for delivery. But that's the way we've put our plan together, which we will be presenting to Welsh Government this year. There's a huge amount of employer voice and employer engagement, both through our cluster groups and other events that we've held to ensure that we've got the right message from industry, and are bringing that to the table to talk to providers and Welsh Government.

[123] **Russell George:** How do small businesses that perhaps are not members of the FSB feed in to your work?

[124] **Ms Higgins:** Okay, so we have cluster groups as well, of which, in

some cases, we have small businesses as a part of that.

[125] **Russell George:** Okay.

[126] **Ms Higgins:** But in addition this year, both ourselves and the south-west RSP did a survey of small businesses to understand their needs and get their needs and direct that into our planning, our thinking and our planning format. That wasn't done as a survey that went out electronically. We've got that as well, but people actually went out and visited those businesses, or spoke to them on the telephone, and spoke to them in depth, and did more of a qualitative survey so that we could feed their thoughts into the plans and into the planning process.

[127] **Russell George:** Thank you. I've probably wrongly encouraged all of you to answer all of my questions, but we're limited for time as well, so don't feel you all have to respond to every question that Members give. Jeremy Miles.

[128] **Jeremy Miles:** We've had evidence from some witnesses that has described the overall performance of the three RSPs as variable—as you would expect, I suppose; not every organisation does everything perfectly. I'm sure we would all acknowledge that. I just wonder what you each feel you're not doing so well, and why that might be the case.

[129] **Mr Thomas:** I think in terms of having obviously seen previous witnesses to this committee in terms of their comments on the RSPs, I think the RSPs are there, and it's a very good vehicle should people wish to use it effectively. I think what we shouldn't be doing is operating in isolation in terms of when we're looking at skills and employment and engagement across the patch. I think the RSPs have been set up by Welsh Government and they've been there to bring everyone together. I think it's a vehicle that doesn't add on in terms of additional burden. You have a very small resource available there to support, and certainly what we're seeing is, for us, that the RSPs, if used effectively by partners, can be an excellent shop window in terms of promoting the wider region within which they operate. But it's also a resource in terms of bringing everything together to stop duplication. Certainly for us, in terms of what we've been able to do in the north, it's work with partners, HE, FE, private training providers, but also alongside employers, to have a consensus approach in north Wales. And I think that's reflected with the others, as well.

[130] **Jeremy Miles:** Okay. So, what I'm trying to get at is what you feel you could be doing. There may be good reasons for these things, by the way, but I want to try and understand what it is. You talked about innovation, for example. That suggests an improvement process. I think local variation is fine, personally, provided that we're all learning from each other's best practice and mistakes. So, what I'm trying to get at is: what do you feel you could be doing better in your RSP, for example?

[131] **Mr Thomas:** I think for us in the north, more engagement with employers. I think that's the key challenge for us—getting to employers, because in north Wales 67 per cent of our businesses employ fewer than five people. So, in terms of the volume of scale, that's a challenge for us. I think it's something we continue to strive towards. We're lucky that we have representatives from Airbus and Horizon Nuclear Power sitting on our board, but in terms, then, of the access to those kind of smaller employers, that's a challenge for us, and it is something that we are continuing to look to how we address using people like the FSB, the north Wales business council and the chamber of commerce more effectively, but also for them to feel that they can engage with us better as well, in terms of them then getting something back from us.

[132] **Jeremy Miles:** Okay.

[133] **Ms Higgins:** I'd just like to answer that and agree. I think, for us, there are an awful lot of doors open. It's actually very hard to walk through them all. Employer engagement is key; it's a critical part of this agenda. But we have limited resources. The funding we receive allows us to have two full-time members of staff, and there is a limit to what two full-time members of staff can do in terms of the volume of research that they undertake to prepare the plans, the events and the engagement. So, I think, within the resources that we have, we've done a huge amount of work, a significant amount of work, but I think, yes, we could do more, but we are constrained by capacity.

[134] **Jeremy Miles:** So, for you, the main issue is again the engagement—the limitations on your capacity to engage.

[135] **Ms Higgins:** Absolutely—more thoroughly. Yes.

[136] **Ms Lewis:** The challenge for us is having two very distinct areas: the Growing Mid Wales partnership, and the needs of the rural areas can be very

different to the needs for Swansea, Neath, Carmarthenshire and Pembrokeshire. There are different challenges, as well, as regards the provision, because there is lots of evidence of people going over the border into England for skills because of a number of reasons. But it's perceived then that the young people aren't coming back into jobs in the rural areas. And our engagement—. We've developed a huge amount of engagement with businesses in mid Wales, but I would agree we could do more. But, again, it's time and the huge amount of areas that we have to cover with the very limited resources that we have to undertake that.

10:30

[137] **Jeremy Miles:** Okay. It's interesting that you've all chosen roughly the same challenge, because one of the pieces of evidence we have received is that employers may be confused by the different bodies operating in the same or similar space, obviously with different remits. So, you've got regional skills partnerships, the Wales Employment and Skills Board and the sector skills councils. Do you feel that that is a practical limitation on the ability of companies to get how they can contribute to the process, or isn't that so much of an issue?

[138] **Ms Higgins:** I think it's about reach. I think if that engagement can grow and that message, therefore, can get through more solidly, then I would suggest that businesses will—. Certainly, the businesses that we already engage with see the value. It's about how we reach that wider network of businesses, and I think that's probably where the challenge is coming from. Businesses certainly understand the difference between understanding that regional economy and what might be needed locally and regionally, versus what might happen more strategically at the national level. So, I think they see that relationship fairly broadly. For those that are engaged, I think they understand it. I think there's a wider group of employers that we need to reach, and I'm sure that when we do engage, that will be clarified for them.

[139] Sector skills councils are a challenge because they have been constrained in recent years, and are decreasing in number and reach, particularly in Wales, and that demands a different solution. Where a sector skills council exists and is effective, that's great. I think where we don't have sector skills councils, it potentially creates market failure and we need other solutions. And I think both the RSPs and the Wales Employment and Skills Board are part of that solution.

[140] **Jeremy Miles:** Okay. And just finally, it's anticipated that the Welsh Government's new economic strategy will have more of a regional focus, and the development of regional economies and local economies and so on. Do you as RSPs foresee or envisage or want to see a change in your remit or an expansion of your role, or a change in your role?

[141] **Mr Thomas:** Certainly, for us, as part of the development of the north Wales growth deal, we're very much looking at skills as being an integral part of that, because you can't look at skills in isolation when you're looking at the wider economic forecasts of future for the region. So, certainly, in terms of—. We had a skills body, as it were, before the RSP was adopted, so for the North Wales Economic Ambition Board, skills were already part of our work alongside infrastructure, future forecasting and other development within the economic stratosphere.

[142] So, for us, I think what we'd be looking at, as we say, going forward, in terms of regionalisation is to strengthen the bringing together of people around that singular table to discuss how skills isn't just seen in isolation, but how skills can also affect poverty, social reform, housing, transport and infrastructure, because you've got to look at it in a bigger picture. If you're going to promote skills, you need to promote access to skills and you need to overcome barriers in terms of social reform, so it's very much using the RSPs now as a vehicle to actually promote cross-sector working together, and you've already got the right people around the table, with each of the three RSPs. I think the challenge is for Welsh Government, for politicians and for partners to actually work with RSPs and actually use them more effectively to promote the singular message that they can actually perform and produce.

[143] **Russell George:** Okay. David Rowlands.

[144] **David J. Rowlands:** Our enquiries are often referred back to the previous committee's report in 2012. What are the main improvements made by the Welsh Government's policy and the delivery of apprenticeships since 2012, and perhaps what challenges still remain?

[145] **Russell George:** Are you all familiar with the previous committee's work in this regard? You are, yes. That's fine.

[146] **Ms Lewis:** If I could start—I think a number of the challenges that were set have been met, and continue to be met by Welsh Government, but there

still remain challenges. In my opinion and the opinion of the employers in the region that I represent, it's about the information that's out there for businesses to understand how to get an apprentice, possibly, at the beginning, but what benefits there are of having an apprentice and the opportunities for them to develop within that workplace. I think that's one of the biggest challenges that the employers face, and, for us, it's about getting the message about the benefits of having an apprentice and what it does for an apprentice, especially as they develop to the higher level, where the opportunities are now far greater, and the opportunities now to open it up to not just the 16-to-19 workforce, but an older workforce, because there are opportunities now to retrain. People are losing their jobs and are having to retrain. There are opportunities for apprenticeship within existing work placements because of the levy—I think there are things that have happened, but there are things that are yet to be done, and a lot of that is around getting the right information out to employers for them to understand how can they increase the 13 per cent of businesses that are currently engaged with apprenticeships, to grow that to get more businesses understanding and into the plan.

[147] **Russell George:** Can I tag on to David's question, if David doesn't mind? Are there any recommendations that the Government accepted back in 2012 that haven't been achieved? If you can perhaps tag that on to responding to David's opening question.

[148] **Ms Higgins:** First of all, I was going to talk about what had been achieved, which was—

[149] **Russell George:** That's fine. [*Laughter.*]

[150] **Ms Higgins:** But I'll certainly cover that off. Really, it talked about recommendations around engaging more small and medium-sized enterprises, SMEs, and also to link up those with established programmes, again, with small to medium-sized employers. I think there's been some really good, innovative work. If we look at the Ebbw Vale enterprise zone, for example, and the Aspire project there, where they have, through the enterprise zone, engaged employers in apprenticeships and offered a shared apprenticeship scheme that's operating incredibly well, I think that shows some of the achievements that have been made following that commitment and the efforts of Government to try and resource those sorts of initiatives to give them a chance. I think we'd like to see a lot more of that. I think the potential is there, and we need to do a lot more and, as Jane has said,

support employers to get involved. So, that's the first thing.

[151] In terms of where the challenges are, where things aren't met, I think it is, for me, largely around the mismatch between what young people choose to do, or what people generally, in an all-age programme, choose to do, and where the opportunities are in the labour market. So, good careers advice and guidance is a challenge. We've mentioned gender stereotyping; it's still a challenge. I think a lot of people are doing a lot of hard work and making a lot of effort to try and address those issues, but it still feels like there's a long way to go.

[152] So, I would say, in terms of the issues that still remain for me, it's fundamentally about challenging perceptions, so that would be those of peers, of parents, of teachers and of others, and perhaps apprising them and making them more aware of how apprenticeships have evolved—the higher-level apprenticeships that we have, the professional occupations now. You can become Chartered Institute of Personal Development qualified, financially, legally qualified, through the apprenticeship pathway. I think so many people still view apprenticeships from a very traditional viewpoint and I think far more needs to be done to break some of those perceptions and barriers down.

[153] The lack of careers advice and guidance for all pupils is a major issue; it is a major issue. But it's also about understanding that the response has to be a collaborative one. I think industry is best placed to inspire people about opportunities, to give them information about opportunities, sharing with them those opportunities that they may not have seen in the marketplace, but then you need your independent advice and guidance when somebody's made a decision about understanding the pathways to get there and understanding all pathways to get there, whether they be academic or vocational.

[154] **Mr Thomas:** Without duplicating, obviously, what my colleagues have said, I think the big challenge from our perspective is around communication. Whilst there have been great strides since 2012 in terms of recommendations, I think the challenge still, in 2017, unfortunately, is communication, and that's by partners across the board. I think what we have is too many partners communicating different things, but all in a similar vein, and I think that that confuses the market, particularly when we're trying to promote a more consistent approach in terms of economic drive agenda, looking at future forecasting. You know, in north Wales, through the work

we've done, we're forecasting potentially up to 40,000 new jobs by 2030. What we want is a singular message. So, when we're working with Careers Wales, DWP, our colleges, private training providers, and so on, we want to be on the same page, and I think the RSP is the vehicle to do that. But, certainly, when you're talking to the likes of parents and teachers, if they're not getting that information at source about the opportunities and the benefits longer term, in terms of sustainable pathways for young people—

[155] But also let's not forget the current labour market, because there are opportunities now with the all-age apprenticeships to upskill our current labour market. Because that's often what people forget. We hear this huge emphasis on young people, but, if you don't upskill your current labour market, you don't create the openings for new people to come in. So, I think we need to look at it again, look at it in its entirety, and I think the RSP is the vehicle by which we can get people to actually have that singular approach and use national and local agencies more effectively to actually have the same voice, so that teachers, parents and pupils have an equality of opportunity in terms of messages about what apprenticeships can actually offer, short, medium and long term.

[156] **David J. Rowlands:** Of course, a huge part of this is actually raising the status of apprenticeships, isn't it, with employers and pupils, teachers, et cetera, right the way across the board—that doesn't seem to be happening, though, does it?

[157] **Mr Thomas:** I think it does in certain pockets, and I think, to be fair to all three regions, we see employees and certain providers very much being active in terms of promoting it. I think it's having the consistency in terms of approach that is critical now, and not seeing partners at an individual level feeling the onus on them to actually do it. It should be done on a regional platform, very much supported by a national mechanism.

[158] **Russell George:** How does the labour market intelligence that you've just spoken about—how does that influence your planning?

[159] **Mr Thomas:** I think, for all three RSPs, it's very much intrinsic to what we do, because you need evidence to actually make changes. In the last five, 10 years in which I've been involved in skills, you hear people with wish lists, but there's no point having these actions unless they are based on absolute, critical evidence, and, certainly, the three plans from three RSPs are based on current evidence. They're looking at trends from previously to learn to then

forecast based on actual evidence, and that's really important, to have that demand and supply analysis to inform what is actually happening out there, not only in terms of provision, but also listening to employers and listening to the wider economic drivers. And, certainly, it's not just looking, as I mentioned before, within our own boundaries; it's looking outside of the boundaries. On a north Wales example, 20,000 people go out of north Wales every day to work elsewhere, but 30,000 people come in to north Wales to work, and that's a similar scenario in both other regions in terms of that cross-border migration. So, we need to be very mindful of that in terms of when you're looking at labour market intelligence to understand what sectors are driving these movements, what are the opportunities for the future, and, when you're looking at projects such as the tidal lagoon, the metro, Wylfa Newydd, what are the future forecasts for data that we need to plan for now. Rather than being reactive, we need to be proactive, and LMI is certainly something that the three RSPs are promoting, which all partners then use to inform their curriculum, their forward planning, and also in terms of what their provision is going to be.

[160] **Russell George:** I'll come to Vikki in a moment, but I will be keen at the end—. I can see that you've got the last committee's report in front of you. If there are recommendations that were accepted by the Government that you don't think have been achieved, I'd be keen at the end of the meeting just to have a steer from you, so that you can—we've got the Minister coming before us next session—be clear on what you think on which recommendations that were accepted haven't actually come to fruition. Vikki Howells.

[161] **Vikki Howells:** Thank you, Chair. I'm interested particularly in how employers engage with apprenticeships, but you've already given some pretty solid evidence on that. So, if I could just hone in on some specifics, first of all, with regard to Welsh-medium or bilingual apprenticeships, how do you think more employers and training providers could be encouraged to offer those?

10:45

[162] **Ms Lewis:** This is a piece of work we've actually done for this plan this year, around some of the barriers to using the Welsh language in the workplace. If I could focus on health and social care as one of the key sectors, where you've got people living in rural communities who have domiciliary care assistance to their own homes, for people who are wanting

to stay in their own homes and traditionally they speak Welsh all the time—some people don't communicate at all through the medium of English—what the employers are saying to us is they're having real difficulty in finding trainers who speak Welsh to be able to train the people. They've got the employees who can speak Welsh but they haven't got the trainers who can deliver the training through the medium of Welsh.

[163] So, I feel that there is a need for additional support for FE, HE, and other training providers to put in place some Welsh training for trainers specifically in that area. That is one of the recommendations that we'll be putting in our plan for this year. There are issues across the board with regard to the delivery of training through Welsh, but that is a specific area that is of concern in our particular region.

[164] **Vikki Howells:** Thank you.

[165] **Ms Higgins:** I think more broadly as well we also need to try and encourage people to take up that offer. So, if we were to create that capacity within the system, it's about how we also encourage people to take up that offer and to actually pursue their programme through the medium of Welsh. We do still have quite a lot of people who are Welsh speakers who choose to pursue their programme through the medium of English. So, it's about how perhaps we encourage that.

[166] **Mr Thomas:** Certainly, echoing Jane's point for north Wales, obviously, we have a high density of Welsh language population and certainly we're encouraging providers and potential future apprentices to actually consider using the language as part of the training, as part of everyday in terms of what we're seeing, and, certainly in last year's plan, echoing what Jane said, health and social care, we picked up last year, was a key opportunity in terms of promoting the Welsh language. But also for us one of our growth sectors is tourism hospitality, and what better way to showcase what we offer in terms of having a bilingual population within the workplace environment? Because, to an employer, to have someone who can work in both languages at the same time is a huge plus, which I think often we don't promote enough. I think, certainly for us in north Wales, we advocated it in last year's plan and we will continue to develop that, working with our employer partners but also our providers, to see how we can strengthen that further so we can have a real USP in terms of how apprenticeships can be delivered in north Wales, but also to share that experience with partners across the country.

[167] **Vikki Howells:** That's really interesting, thank you. You've all spoken at various times in the evidence session about the importance of SMEs, particularly the microbusinesses, really, but, if we turn that on its head a little, there are lots of larger employers who currently take on apprentices, and then there are SMEs underneath them in their supply chain. Do you have any particular thoughts about how we could maybe promote apprenticeships more to SMEs within the supply chain such as that?

[168] **Russell George:** Can I just ask one of you to answer? We're a bit pushed for time, so if I could just try and ask one of you to address that point. Which one of you wants to go? Karen.

[169] **Ms Higgins:** That's something that we've actively promoted. We feel, across all vocational learning, that there needs to be a stronger connection between large companies and the supply chain. It needs to be sold to large companies that opening up some of the training that they might provide in-house, for example, to that supply chain is beneficial—and to smaller businesses. So, that's something that we actively support and encourage. I think the shared models, as I mentioned, in places like Ebbw Vale, are where they are starting to break some of those barriers down. So, I would encourage more of that sort of model as a mechanism to engage small businesses, and, as you said, from within the supply chain. Whether companies will perhaps need a push or incentive to encourage them to offer that through—but I think there is a benefit to them, because if they are involving their supply chain in doing some of the training, they have a hand in the quality that's being delivered by their very supply chain into their own business.

[170] **Vikki Howells:** That's fine. Thank you.

[171] **Russell George:** If you're itching to come in—

[172] **Mr Thomas:** You can tell, sorry.

[173] **Russell George:** Yes, I can tell.

[174] **Mr Thomas:** Just to give you a practical example in terms of, as you say, you've got the big companies—and I'm just picking up on what Karen said and going back to the HMP Berwyn model. Obviously, part of the community clauses there with the prime contractor was to promote and

generate additional apprenticeships through the supply chain. So, we saw that we were able to work with SMEs across north Wales—so, tiers 3 and 4 contractors—who were kind of the size of about 50 to 100 employees. But they, then—as part of this community benefit clause, working with us and other partners such as Careers Wales and DWP—were able to generate apprenticeships from that. So, I think there are mechanisms that we have in place. If we use them effectively and, again, we are all working together with a similar voice and message, and we can work with those kinds of companies, as you say, between your big boys like Airbus, but also then your SMEs, then we can make sure that we have parity of opportunity for young people with apprenticeships.

[175] **Vikki Howells:** Thank you.

[176] **Russell George:** We've got three sections left. I've got Hannah, Mark and Hefin. So, if you could try and tailor your questions so that not all members of the panel are expected to answer. But if you are itching to come in then please do so. Hannah.

[177] **Hannah Blythyn:** I'll do my best, Chair, to keep it succinct. I just want to turn now to look at access to impartial careers advice for school-leavers, particularly within schools, because I think, from the outreach session we did as a committee, and I did one of my own in my constituency, the young people I spoke to seemed to think that perhaps the advice they were given—the people giving that, through no fault of their own, don't really have a clear understanding of what is out there and what an apprenticeship entails. They seem to be pushed along the academic route, whether that is the best thing for them or whether they might be better off leaving and going to do an apprenticeship or going to college. How do you think we can improve that access to information and guidance for young people?

[178] **Ms Higgins:** I think we've got to look at that generation and we've got to look at the media that they use to communicate. I think that we can be far smarter. You don't have to go via a school to get the information to the young person anymore. That's not the way they engage. That's not the way they operate. So, I think it's about how we get a lot smarter and get that information directly into the hands of the young person who needs to make that decision. As Iwan has already alluded to, you've still got to also do the work with teachers, with parents, et cetera. Teacher training—how much of teacher training considers or prepares that teacher for looking at the broad range of options that are available in learning? So, we train people who will

go into the classroom with the young person, who may influence the choices that they make. How much of that training prepares that individual for having that broader range of knowledge and expertise about the learning landscape and what's available in it? Do we rely on them just reflecting on their own experiences? If we do, we should not be surprised that a more academic steer comes out.

[179] **Hannah Blythyn:** Just picking up on what Iwan said in terms of the barriers and perceptions of apprenticeships still, and the challenges you both face in tackling that, not just with young people but with parents as well, one of the interesting things that came out when I was talking to some apprentices at different stages of their apprenticeships in my constituency is that they were suggesting that maybe, actually, we look at how school work experience works. At the moment, it's only accessed—a lot of it is if you've got a contact to get into a certain workplace and things. It's whether they need to look more at like almost access to taster sessions to see what is out there, and then that links up with the RSPs and what the skills gap is and where we need people to go in. Do you think that would be something worth looking at?

[180] **Mr Thomas:** I think so, definitely. I think all three RSPs are actively engaging in terms of how we can look at a more structured programme for work experience and placement. I think, at the moment, it's a case of, if you're lucky to get work experience, it's a tick. They're out for a week. They're with an employer. The employer is there, thinking, 'What do I do with them for a week?' I think what we're looking at—and, certainly in north Wales, the RSP's already been very proactive, where we have seen pockets of pilots that we have been engaged with, where we're working with employers and we come up with a programme. So, when that child or young person goes into that place of work, the employer then has a structured programme of support, so they feel that they're supported as well.

[181] So, not only are they offering something unique to the young person, in terms of giving them that insight into the work placement, they are also being supported in terms of how they programme that week, so they get something out of it as well. So, it's almost, in very crude terms, a 'try before you buy'. What we've seen through the pilot work that we as an RSP have promoted and worked on with our partners is that many of those young people on those programmed work placements have now been offered either sponsorship to go on to training, or the offer of a permanent job or work placement or summer placement, and so on and so forth.

[182] I think, exactly as Karen said, we've got to look at how we tailor information to parents, pupils, and teachers, unique to that audience. Certainly, the smartphone generation of young people—. Back in 2015, we worked with employers in each of our key and growth sectors in north Wales and we came up with 60-second animated infographics that told them about where in north Wales the jobs are, how much they could be earning, what the future opportunities were in terms of projects coming up in the region; 60 seconds on a smartphone, I think, is something you can actually get through, whereas if you've got a document, sometimes, it may not.

[183] **Russell George:** Mark Isherwood.

[184] **Mark Isherwood:** I've got lots of questions that I'll try and condense into one long question. You can pick the bits you want to answer, hopefully, and cover between yourselves. I'm focusing on the barriers to apprenticeships. To what extent do you believe the apprenticeship minimum wage level is a barrier? How can lower-income families be better supported to take up apprenticeships? Similarly, how can Welsh-medium and bilingual apprenticeships best be promoted to employers and training providers? I'm grateful for the North Wales Economic Ambition Board comment in your written evidence identifying concern amongst north Wales's employers that the support and promotion of apprenticeships is focused too heavily on Cardiff and south Wales. Do you agree that you as RSPs are well placed to better promote employment of disabled people? Evidence we've had from Remploy suggests that, in contrast to 9 per cent in England, only 1.3 per cent of apprenticeships in Wales go to disabled people, and only 2.7 per cent of people in work-based learning. Finally, what role could a pre-apprenticeship programme play in tackling some of these barriers?

[185] **Russell George:** Shall I come to Jane first? Don't feel you have to address them all, only the points you think are relevant to yourself.

[186] **Ms Lewis:** With regard to—if I start with the people with disabilities, then. Although we haven't got any direct evidence that there are immediate barriers there, what we don't have is enough information. This is a piece of work, I think, that needs to be done to identify what are the barriers for people with disabilities getting an apprenticeship offer from an employer. We have a number of employers that we're working with that have a huge number of employees that have a disability of some sort or other and they are prepared to take on apprentices, but they don't have people applying for

positions within their environment. With other people, it's about the knowledge and understanding about what they have to do to make the changes within a workplace to adapt. I think we could offer them support, working with Remploy, for example, to ensure that the employers know about what adaptations need to be made to make that offer to people.

[187] With regard to the minimum wage, although, again, we haven't got any evidence that that is a barrier to people getting into apprenticeships, one of the pieces of evidence that we have about people from lower-wage families getting into apprenticeships is about the distance they have to travel to work and the cost of travelling to work in relation to the amount of money they'd get paid from the apprenticeship wage. So, whether something could be looked at to address that would help some of those families.

[188] We are working, in Llanelli, with Communities First and businesses in that area to get the opportunities out into the workplace for people who perhaps have not been in work to get into an apprenticeship programme with some of the major employers in the region. But, as Iwan mentioned earlier on as well, some of the projects that are being developed, either through the public bodies in the region or through the city deal, the community benefit will be looking at opportunities for apprenticeships in these areas where we have got issues with higher unemployment than perhaps some of our other areas.

[189] So, as an RSP, we are doing as much work as we can with all the different bodies to ensure that the opportunities are out there for these people to be offered opportunities, but also that they can develop their skills and training through the workplace after they've left.

[190] **Russell George:** I'm very grateful for your answer, but we've got the Minister waiting outside and we're limited for time. So, can I ask Karen and Iwan to address briefly any points, and then I'll come last to Hefin then, after you've addressed your points?

11:00

[191] **Ms Higgins:** Yes, very strongly, I'll just pick up on the pre-apprenticeship programme. There have been successful pilots in our region for junior apprenticeships that have done really well, and those have gone really well, and the evidence that we took, certainly, from all of our stakeholders, suggested that a pre-apprenticeship programme would be well

received, not least in making sure that, for some people, they are work-ready before they go on to a full apprenticeship programme. So, certainly, we would support that.

[192] Travel costs is an issue that's come up again—generally, if we think about it in terms of employment, meeting operational costs. So, travel costs would be a contribution towards that. There's also a perception around salary as well. So, I did have an example from an employer who had regularly put a trainee position in place where somebody became a graduate at the end, got a degree at the end of it, and instead decided to do it through a high-level apprenticeship, and then advertised the role—even though you're talking the same role, the same achievement at the end of it—at a lower salary, because their perception was that they could pay less for that sort of role. We did challenge that with that employer. We said, 'What was the outcome?' The outcome was the same. The quality was the same, et cetera, but their perception was that.

[193] **Russell George:** Thank you. Yes, Iwan.

[194] **Mr Thomas:** I will be very brief; I will try my best. I think, really, what you've got to differentiate between is: what is a barrier for some is an excuse for others. There are some people who do not want to engage, and, for others, in terms of disability, low income, it is a barrier. So, what we're doing in north Wales, and continue to do, is to work with our partners to see how we overcome these, whether they're an excuse or a barrier.

[195] So, we're working with the likes of DWP, who have specific funds to get people to work, in terms of transport. If they haven't got particular equipment to work on a construction site, we will provide them with that equipment. If they haven't got an interview suit, there are funds so we can get them a suit to get them to that interview. So, there are ways in which we're looking, in north Wales, to say, 'It's not a barrier for us; it's an excuse. Let's see how we can work with our partners collectively, pool resources—be it financial, physical or whatever it may be—and actually get these people into places of work, to give them the opportunity.' So, whether they have a disability, whether they have challenges at home in terms of childcare, whether it's transport, there are ways in which we can work collectively, through the RSP and our partners, to overcome these and support these people into employment, if we actually work collectively through the RSP mechanism.

[196] **Mark Isherwood:** And the north Wales thing?

[197] **Russell George:** We might be—. Very briefly.

[198] **Mr Thomas:** It's just, in terms of what we've seen, some of the pilots that have been undertaken to date have been very south Wales centric, and obviously, in terms of the Valleys community, it does have no bearing in terms of what's happening in Holyhead or Holywell. So, we need to look at undertaking more pilot work in north Wales to have that comparator so we can understand in terms of what our variation, in terms of our community, culture, and in terms of our economy, is very different to the rest of Wales.

[199] **Russell George:** Hefin.

[200] **Hefin David:** Has there been any significant growth in higher-level apprenticeships in the last three years?

[201] **Mr Thomas:** For us, in north Wales, yes, there has.

[202] **Ms Higgins:** We've certainly got increasing demand from employers for both higher-level apprenticeships and degree apprenticeships.

[203] **Hefin David:** My next question: to what extent is that—what proportion of that is degree-level apprenticeships?

[204] **Ms Higgins:** The degree-level apprenticeships, I would say, have really hit more recently, but we are seeing a strong interest in exploring degree apprenticeships across Wales, particularly in areas like STEM subjects and in higher level professions, where they're looking at it as an alternative to a full-time degree programme.

[205] **Hefin David:** Are universities successfully engaging with that?

[206] **Ms Higgins:** It's new for Wales, so degree apprenticeships are being developed as we speak. There are examples in higher education institutions where they've looked to adapt part-time programmes to offer them as a kind of apprenticeship pathway.

[207] **Hefin David:** It's not the most effective way of doing it, though, is it?

[208] **Ms Higgins:** Not necessarily. I think what we have to do is get fairly

swiftly—. And Government are already doing some work in this arena; they are exploring proposals at the moment. I think we'll be keen to see some of those proposals come through and be tested and tried in the marketplace, because there's certainly the demand from employers.

[209] **Hefin David:** Okay, but still a bit of work to do with that.

[210] **Ms Higgins:** I think that work is in train.

[211] **Hefin David:** Okay.

[212] **Russell George:** And, finally, of the 20 recommendations made by the previous committee, were there any that were accepted by the Government that you don't think have been achieved?

[213] **Ms Higgins:** I think Government has made huge efforts towards all of them, to be honest, but I think it becomes very difficult—. If we look at the apprenticeship-matching service, for example, we definitely need a product like that. We definitely need a mechanism by which people can engage easily with a supply of apprenticeships, but the system itself is quite clunky and not particularly user-friendly. So, I think there are a lot of good efforts that have been made, but are there improvements? Yes, of course.

[214] **Russell George:** Is there anything that's not been addressed from the previous committee?

[215] **Mr Thomas:** I think one thing that hasn't been addressed, if you look at the thread of it all the way through, is that we need a more bespoke regional approach. I think it's very much a blanket all-Wales approach, which is great to have as a baseline, which everybody needs across all three regions, but I think what you also need to see is greater regional variation, because our economies are very different. For us in north Wales, as Mark Isherwood has noted, the cross-border element, particularly, for us, where we've got 50,000 people going across that corridor every day, either to or in—. And, obviously with the apprenticeship levy, which hasn't been mentioned so far this morning, obviously, for businesses in north-east Wales particularly, the challenges that presents in terms of promoting apprenticeships—you know, where they're domiciled—will impact in terms of whether it's a voucher or not. Obviously, with our providers in north-east Wales, as across the rest of our region, being very proactive in terms of apprenticeship training, we'd need to have, perhaps, regional variation in

terms of how Welsh Government approaches apprenticeships in all three.

[216] **Russell George:** Thank you very much. Sorry for rushing you all. It's our fault, not yours. We're very grateful for all your evidence this morning.

11:07

**Y Gweinidog Sgiliau a Gwyddoniaeth—Prentisiaethau yng Nghymru
2017**

The Minister for Skills and Science—Apprenticeships in Wales 2017

[217] **Russell George:** Thank you, Minister, for being with us this morning. I understand that you have got a short presentation you would like to present to us. Can I just ask you to introduce your officials for the record as well?

[218] **The Minister for Skills and Science (Julie James):** I'm Julie James, Minister for Skills and Science.

[219] **Ms Huckle:** Sam Huckle, head of apprenticeships for Welsh Government.

[220] **Mr Banks:** Jo Banks, head of careers policy.

[221] **Julie James:** I think we've given you some handouts for the presentation, which Sam is going to take us through, if that's all right, Chair.

[222] **Russell George:** Lovely, thank you. We'll go straight to it. Thank you, Sam.

[223] **Ms Huckle:** Very quickly, a quick presentation on how far we've got in terms of apprenticeships. I'm responsible for the apprenticeship unit within Welsh Government, and our role is about developing and improving the apprenticeship programme. Initially, I'll just talk about the 100,000 apprenticeship places that Welsh Government have committed to. I guess we anticipate that 100,000 will be a very different mix, a very different sector driver, and we are looking to ensure that we have a lot of higher level skills that are delivered via that 100,000. We are trying to ensure that we have a step change in terms of the apprenticeship programme, and that it's placed well to drive the Welsh economy in the future. We have had an additional £15.5 million this year to deliver against that agenda, and we are driving developments utilising that funding across the piece. But, generally, we are

prioritising demand where there's greatest economic returns and we're trying to align, where we can, to the needs of levy payers and small businesses, and that is the promotion of key sectors areas across Wales. I guess the key milestone for us is that we produced our apprenticeship policy document in February 2017, and that's entitled 'Aligning the apprenticeship model to the needs of the Welsh economy'. It has quite an interactive action plan that's attached to that, and within the first two years of its implementation we have a set of something like 30 actions that we're pursuing to drive improvements across the apprenticeship programme.

[224] Just a little slide that talks a little bit about the themes in the policy document—I'm assuming most of you have seen that—but we are about all-age apprenticeship and trying to drive an all-age structure across the apprenticeship programmes. As I said, this is about jobs and growth and about higher-level skills development. We're trying to reach up and stretch the programme to ensure that it can deliver the skills we require for the future. We still have a big focus on quality within the programme, and we are looking quite a lot more in terms of international benchmarking to make sure the programme is one of the best across the EU.

[225] We talk a little bit more about integrated pathways, because apprenticeships is one programme that is part of a broader suite of programmes that sits in a broader environment. So, we talk about integration in terms of higher education and integration in terms of education, and, of course, the whole policy driver is about integration in terms of the economy and meeting the needs of employers. So, it's not an isolated programme, and we are looking at how that fits and moves with those various policy drivers sitting in that environment. But, more importantly, we are moving the programme to become more employer led—employer led in terms of its content, employer led in terms of its response.

[226] I've put on the presentation some of the areas that are exercising us, really, in terms of developments, and you've picked a lot of these areas up in your review and they're reflected in our action plan. I guess one of the things that we need to do is to improve the support for school leavers on the apprenticeship programme. We are making some progress on developments in this area. We are now moving in terms of capacity in schools on careers advice and guidance. We're also piloting a new and exciting way of apprenticeships for those aged 14 to 16, called junior apprenticeships, in Cardiff. That is experiencing industry experience and also undertaking GCSEs. So, these individuals really will gain the vocational and academic

skills that they require to move into the workforce.

[227] We have our Have a Go programme, which I expect you've received evidence on. That's doing very well at the moment. That's an experiential learning activity. We take various equipment into schools. That's been received very well. In the first six months of operation, with one piece of kit, we have had engagement with around 40,000 individuals. We're looking at, in terms of support, 21 local authorities and 79 schools. We've put a second piece of kit in now, so we're expanding and developing that approach, and that, we believe, is providing us with a very, very good engagement tool and a good platform for us to get people to understand a little bit more about vocational learning more generally. The kids are excited about it and employers want to become involved in it. So, those are all good signs from that work for us.

[228] We've got a big summer campaign—1,000 apprenticeship places. What we've found is apprenticeships are spread very thinly throughout the year, so if you look on our apprenticeship matching service, there are very few apprenticeship places and a lot of them are low paid and low skilled. So, what we're trying to do is we're trying to work with the big companies to pick up those technical, exciting, high-quality apprenticeship places and advertising them around the time that we see the UCAS clearing. So, very clearly, individuals can log on and see quite a lot of the opportunities that we have. Alongside that, we are doing a bit of a blitz of a media campaign, so we raise the profile as far as we can. So, that is the first area I think my team are working on as a result of developments.

[229] The second one is the visibility of apprenticeships. We've had quite a lot of criticism around the lack of availability of apprenticeships, and I think it's quite important for us to talk a little bit about the different entry points into apprenticeships. Quite often, people talk about 16 to 18-year-olds accessing the programme, but, at the moment, we have school leavers and parents who are looking for advice and information on what an apprenticeship is, what it looks like and what it involves. We've got adults who are out of work, but now see apprenticeships as a real opportunity for them to progress into a career and get professional skills. We've got employers looking to develop their pipeline for the future and looking to recruit new staff. We have employers, particularly, that want apprenticeships to fulfil all of their workforce skills, upskilling in key areas, meeting skills gaps and progressively developing those skills within the workforce. So, a brand new workforce approach. That's been driven by the levy, to some

extent, but it's now being seen as a key workforce driver.

11:15

[230] We've got sector approaches. We have clusters of sectors coming towards us, like public services, like NHS wanting to recruit informatics apprenticeships, making a paperless system across the NHS. So, they're looking at that for their current workforce and new apprenticeships. We have that on construction, of course, where they're looking at the major projects. They want a broad range of opportunities to be made available on apprenticeships. And we also see that with local authorities looking to develop new apprenticeships for public services. We also have, on top of that, apprenticeships that are seen as a progression route for various programmes. It's very important, as our European social fund projects come to an end, how apprenticeships will mainstream and provide opportunities.

[231] So, the entry points into the programme are quite—. It's a multiple entry point. And we haven't really had a process to deal with that in a holistic way. One of the pieces of evidence that we put forward to you was a one-stop shop, a Welsh apprenticeship service that did that more bespoke, more intelligent, intuitive service. So, it'd be interesting to hear your views on that. I'm trying to go as quickly as I can.

[232] **Russell George:** No, you're fine.

[233] **Ms Huckle:** One of the key areas that we've highlighted in the policy is that about quality not quantity; higher and technical skills. Really, we've had quite a lot of feedback about our approach here, because we are aligning apprenticeships to industry needs, particularly in STEM sectors. We are aligning it to where we believe that there will be a better return in terms of wages, and that will mean more higher-level apprenticeships in certain sector areas and fewer lower-level apprenticeships in areas.

[234] We are redefining the apprenticeship product, but let's not forget that there are other programmes that work around apprenticeships. More development work needs to be done on our employability programme and support for the foundational economy, but that's how we see the broad approach of skills policy working.

[235] We're also making quite big strides on higher apprenticeships. You've seen that we've made a 25 per cent increase on higher apprenticeships and

we've started the pilot work on degree apprenticeships. We're developing the qualifications in the phase 1 pilot and delivery is likely to take place from 2018–19 on that. Once degree apprenticeships are put in place, that will create a suck-up in terms of creating a true vocational pathway that has both academic and vocational qualifications contained within them, and hopefully address the parity of esteem issues that we've been facing.

[236] On to the next slide that talks about our apprenticeship advisory board. We have had quite a lot of requests to change the content of our apprenticeship frameworks. There's more demand than ever from employers to have the right provision, at the right time, that's more flexible, and changes in England are actually pushing those developments. So, we are reforming the mechanisms to develop our apprenticeship frameworks in Wales. We're working with the Wales Employment and Skills Board, which is not only overseeing our action plan, but they're also creating an apprenticeship advisory board for us that will ensure that we can take forward changes.

[237] The first task will be to create a blueprint for apprenticeships based on occupational areas from levels 2 to 7. Hopefully, we can fit this on an A3 sheet and that will actually map out what apprenticeship careers can look like. We believe that that will be a really useful tool for careers advice and guidance, for parents to understand the entry and end points to apprenticeships, and also to help us populate in terms of provision that we need to deliver.

[238] The second area that we're going to ask the apprenticeship advisory board to look at is our priorities for apprenticeship frameworks next year. We have developed a range of apprenticeship frameworks, but we're under quite a lot of pressure and demand to develop new content in a whole host of areas we've never developed before.

[239] Lastly, they're going to take a little bit of a view about what's happening across the border. We have said that we will be flexible. National companies want one curriculum offer. So, we will be flexible in bringing that content across where it meets our rules and requirements, but we want to take a true and pure employer view about, 'Do they still want qualifications? Do they prefer an end test? What about professional and industry qualifications within that approach?'

[240] We've done a lot in terms of employer engagement. We have various

campaigns. We have a new network of employer engagement officers who are dedicated to apprenticeships, and we've improved the referral mechanisms through Business Wales.

[241] If we look a little bit about equality—

[242] **Russell George:** Is there much more, Sam? Sorry.

[243] **Ms Huckle:** No, we're nearly to the end.

[244] **Russell George:** Right. Fine. One more minute. Lovely.

[245] **Ms Huckle:** On equality issues, we do have in place capacity building and training with our network. We have an equality champion. We've put additional budgets in place. We've been working with Chwarae Teg, and Have a Go is also having a specific focus on women into science, technology, engineering and maths. So, we will be going into schools and we will be organising that around looking at how girls can become involved in STEM and then on to apprenticeships.

[246] Last, and finally, we've been doing some work around how we support apprenticeships in terms of low-income families, and how we can develop that blueprint in terms of higher wage returns, and how that can be put forward as a key route out of poverty. Sorry—

[247] **Russell George:** Sam, you've done a fantastic job.

[248] **Ms Huckle:** I'm really sorry, I went very quickly in a very Welshy accent.

[249] **Russell George:** You've done a very good job in running through a presentation as quickly as you possibly could. So, I'm very grateful for that.

[250] **Ms Huckle:** I hope that gives you a bit of an idea about what we have on the stocks.

[251] **Russell George:** It does, and it sets the scene. I know Members will have questions that they'll be able to refer back to your presentation. I should say as well, in regard to the Welsh Government's updated apprenticeship policy, launched in February, we've had some very positive feedback from stakeholders in that regard. So, I should say that.

[252] If I could say, Minister, first of all, the previous committee, which none of us sat on—the Enterprise and Business Committee—

[253] **Julie James:** I did, though. [*Laughter.*]

[254] **Russell George:** Did you sit on it? There we are. In that case, then, you made some recommendations to the Welsh Government. You made 20 of them, of which the Welsh Government accepted the vast majority. Are there any of those recommendations that were accepted by the Welsh Government that you don't feel have been achieved?

[255] **Julie James:** No, we haven't achieved them—as in 100 per cent achieved, but we're working and we're a long way down the path on all of them. We've actually done a little exercise—. You've caused a bit of a stir upstairs—

[256] **Russell George:** We like to do that as a committee.

[257] **Julie James:** Is the committee going to go back through every report that was ever done?

[258] **Russell George:** That's a good idea. [*Laughter.*]

[259] **Julie James:** From my own, very personal point of view, you should be careful what you wish for, of course. But, no, we haven't got to the end of them because some of them are around things like working with supply chains and so on. But we are well on the path for all of the recommendations. We've worked very hard to do that, and, actually, one of the reasons I wanted you to have the presentation is I wanted you to see how much work is actually going in Sam's division. They worked very hard indeed to actually develop some of those themes. So, that committee's theme was very much around employer engagement, making sure the apprenticeships were fit for purpose, that they met the needs of the economy as well as of the individuals, and there was a big issue about how we funded them and how people found out about them.

[260] So, we haven't solved those problems, but we're a long way down that road. My thing, which I say all the time, is that I will not be happy, and I'm still not happy, because we're still not in this position, until a parent can find out as easily how to get their child an apprenticeship as it is easy to find out how to get them a psychology degree, for example. So, that's a big thing for

us. It's easy to say. It's quite difficult to do. What Sam was talking about, about the A3 sheet with all the pathways on it, that's one of the big pieces of work to do that. It's a balance. I can't remember how many frameworks there are, but there are a ridiculous number of frameworks.

[261] **Ms Huckle:** One hundred and eighty three.

[262] **Julie James:** There we are. Only a small-ish number of them are very well used. So, it's a big balance between not wanting to cut people off who want to do something slightly unusual in an apprenticeship, but actually making it easier to find the more common ones, if you see what I mean. So, we're very keen on having that good balance between a bespoke apprenticeship, if necessary, for a particular industry. The one I always talk about is the pyrotechnics one down in Real SFX, where I got to blow up a Dalek. It's a hard job, but somebody's got to do it. *[Laughter.]* So, that's a very specific thing. That's obviously not a mass market for pyrotechnics. But what we've done is develop a framework apprenticeship with some specific modules on the top of it to accommodate that. So, it's trying to hit that balance between transparency and people having an easy route through to finding them, and not shutting down so much that you can't do anything unusual. So, we're not there yet, but we're a long way down that path.

[263] And then the last thing to say on it is we have redone the way that we oversee it. So, we've reconstituted the Wales Employment and Skills Board. It used to be chaired by Scott Waddington, who used to be one of the UK Commission for Employment and Skills commissioners. He still is because that board is still shutting down, and he's overseeing the swap to the new system for us as well. The WESB now feeds directly into the First Minister's economic development board, which is moving on from the economic renewal committee, and that's being reformatted as well. Then we'll have this apprenticeship panel of employers who are helping us do that. And the WESB itself will be chaired by an employer, possibly Scott into the future, but if not, then another employer. That has all of the LSKIP partnership sitting on it. Each of those brings two employers to the table, and we also have the National Training Federation for Wales sitting on it, we have the Federation of Small Businesses on it, we have the Confederation of British Industry on it, we have Sarah from NTFL, we have Universities Wales, we have Careers Wales and we have ColegauCymru. So, I think we've got everybody who's got some skin in the game around the table. We've managed to keep it to about 18 people, so it's a manageable committee that can actually do some stuff as well. So, we're quite pleased with that, and we're hoping that that will help us

get the last bit, if you like, on those recommendations.

[264] **Russell George:** We've got seven subject areas we want to cover in the time we've got, so Members have got some very specific questions. But we like to be a polite committee: do you mind if we do interrupt you if we feel that we're not getting the answer we're looking for?

[265] **Julie James:** That's fine.

[266] **Russell George:** Thank you.

[267] **Julie James:** It's always a difficult balance between telling you everything I know and getting through it in the time.

[268] **Russell George:** No, understood. David Rowlands.

[269] **David J. Rowlands:** I think all of us throughout the inquiry have been hugely impressed by the efforts the Welsh Government are making with apprenticeships, and it's been very succinctly put to us by some this morning about all those efforts. But can we just now look at whether they're actually working because, obviously, the Welsh Government's got this very laudable target of 100,000 apprenticeships over the next term of this Government? Do you think that the figures—? And some of these may be old now, because they're showing that there hasn't been an increase in the take-up of apprenticeships but, of course, we now have the levy kicking in. Do you think that that's now starting to affect the number of apprenticeships that's going out?

[270] **Julie James:** The levy has definitely increased employer awareness, if you like, of apprenticeships. I won't go into the levy or I'll be here for the whole hour, but our problem with the levy, really, is that people talk about apprenticeships, but quite often what they mean is a work-based learning arrangement of one sort or another. So, in particular, for things like the retail sector, there is plenty of work-based learning that we can arrange with the retail sector, but it's actually very difficult to see quite how an apprenticeship framework would fit into some of the things they want to do. We do offer apprenticeship frameworks in things like logistics, business management and behind the scenes sort of stuff, but, frankly, I'm not prepared to offer apprenticeships in shelf stacking or rearranging the clothes on a hanger. But that's not to say that those people don't need training—of course they do—and we have other work-based learning mechanisms to do that. So, I

suppose my only issue is that we spend some time educating people that an apprenticeship is not the only kind of work-based learning. That's what I mean about an integrated approach right across.

[271] The other thing is that we want to people to have progression routes, so if they do go into work-based learning, which is a traineeship or some other kind of thing, we want that to lead into something for that individual, as well as for the business, that will allow them to climb a career path and doesn't get them stuck in low-paid work.

[272] **David J. Rowlands:** Will there be funding available for this, which obviously—

[273] **Julie James:** We fund that work-based learning programme, yes, and the all-age employability programme, which I will be formally kicking off later on in this Assembly term, will talk about the integration of the other work-based learning programmes and the other routes into employment and skilling-up in work with the apprenticeship programme. The apprenticeship programme is clearly the flagship of it, but people need to get both into the apprenticeship programme and then out of it into proper employment as well, so it's a continuum, isn't it? So, that's a big piece of work for us.

11:30

[274] But the levy has been very helpful in bringing employers to the table who weren't previously interested in it, so we're glad for that. We're not very happy about the funding, but we are where we are. So, that has been good, and also it means that we've engaged, as Sam was saying. We've done a lot of work—Sam's team has really worked hard on this, and I'm very grateful for all their hard work. We've engaged with an enormous number of those employers to try and find out actually what it is they need. So, they'd come in saying, 'I want apprenticeships', but, then, when you actually start to talk to them about their skills policy and their training policy, and what their business needs are to grow and so on, you get a slightly different picture. But, yes, it's been broadly helpful. And, obviously, in the end, what we're trying to do is boost the economy by boosting skills and getting people into better paid jobs. And, so, you need to take a medium and long-term view of that, as well as a short-term view. Short term—we have good completion rates for our apprenticeship programmes, and we know that they get good continuity, and they get good jobs afterwards. We don't have a medium or long-term view yet, because we haven't been doing it for long enough to get

those views, but we will be putting very strict evaluation criteria in place to enable us to do that.

[275] **David J. Rowlands:** Sam's described to us this morning the incentive schemes that you have going on—the advertising et cetera about apprenticeships. Do you have a system in place where you can measure the impact of that?

[276] **Julie Hames:** Well, we know what the contact has been, so, for example, during apprenticeship week, we were in touch with 77,000 employers, and individuals—we were in touch with 382,000. So, it's very big. Of course, we don't know how many of those turn into actual outcomes in the sense of them taking up apprenticeships, but we know that a fair number will. And we will eventually know that, but this is something we're just doing now. And we're just about to embark on a summer, as Sam said, of very serious publicity for this, because what we're trying to do is catch the learners who perhaps don't get the A-level grades that they wanted, and we want to make sure that all our apprenticeships are visible to them at the point in time that they're trying to make a different decision, for example.

[277] **Russell George:** But how can you prove that those marketing schemes are working?

[278] **Julie James:** We can't yet, but what we're hoping is that, in two years' time, we'll be able to see an uptake in the number of apprenticeships and work-based learning programmes off the back of the marketing. But it's too early to say at the moment. So, we have a metric on how many people we contacted. We don't yet have a metric on how many people successfully then came on.

[279] **Russell George:** But how can you evaluate it as you're running through that programme?

[280] **Julie James:** Well, we're just doing it on contact at the moment and then, as we get the figures through for take-up for apprenticeships in the autumn, for example, we'll be able to feed those figures in. We don't have them at the moment.

[281] **Russell George:** David, do you have any further questions?

[282] **David J. Rowlands:** No, thank you.

[283] **Russell George:** Vikki Howells.

[284] **Vikki Howells:** Thank you, Chair. Clearly, the provision of good-quality, independent careers information, advice and guidance for young people is really key to making sure that our apprenticeship policy is a success. How confident are you that Careers Wales is delivering that impartial and high-quality advice on apprenticeships within schools?

[285] **Julie James:** Well, there are several different aspects to that. Careers Wales hasn't been delivering careers advice in schools; that's not how we do it. We have a slightly different system. But we've just moved the responsibility for Careers Wales from the education main expenditure group over into the economic MEG, and we've done that on purpose. So, I've literally just taken over ministerial responsibility for it in the last week or so, and we've done that so that we can align it better with the needs of the economy, and we can, as Sam was saying, line up what we're giving in terms of advice to youngsters with what we know the economy requires. But Careers Wales does do a very good job in signposting all of that. We have a problem with the apprenticeship matching service, which I know Members will be familiar with, and which hasn't been working well, and we will be completely redoing that, as we've just touched on in the presentation. But as I've only just taken it over in the last 10 days, I'm going to get Jo to tell you a bit more detail about it. Briefly, if that's okay, Jo.

[286] **Mr Banks:** Thank you very much. So, Careers Wales delivers three main types of service in schools. They deliver information, advice and guidance, impartially, to young people. They provide support to schools in terms of their delivery of careers and the world of work curriculum, and they also support education business links. So, just a few words on all of those. But, also, to sit it in context, last year, the board of Careers Wales undertook a major consultation with their partners and stakeholders to create a vision for the service delivery that they're now taking forward. Critical to that was the issue of highlighting and putting more effort and energy into schools, and more work with young people. And that's now being delivered. Over the last few years, the ratio of careers advisers per school has fallen. And this year, Careers Wales are actively working to put capacity back into the system earlier on, so that there can be that preventative input. So, the target really this year is to ensure that all young people in key stage 4 receive the support that they need in order to make a successful post-16 transition. Also, that additional resource will support more working with key stage 3 young

people, using quizzes, activities, in order to help them build up a profile, build up a sense of their potential career interests. That information is really valuable as well, because that can now be shared with schools, with governing bodies, with skills partnerships and others, so we're starting to build a more detailed understanding of, you know, young people in a certain institution, what sectors they're interested in, whether they align with the regional skills needs, and whether there are issues. I really believe that that information flow, and improving the quality of that information, will help engage other partners more in the dialogue.

[287] **Julie James:** And can I just add that one of the other big benefits of shifting it from education to economy is to line it up with the LSKIPs? I think you were just talking to the North Wales Economic Ambition Board. I mean, we're very clear that we want the skills agenda to push where we put our funding. So, what we have is a disconnect between what young people want to do, because they don't—and I say this constantly, don't I? How can you want to be something you've never heard of? You can't say, 'I want to be an I've-never-heard-of-that-job.' So, that's a big issue for us. So, that's a big thing for the regional skills partnerships to get out there and get that information into the schools, and then for the careers advisers to assist people to line themselves up with those jobs.

[288] And the other thing for us to do is to make sure that we deliver it fit for the twenty-first century, to be honest. There's no point in pretending that I can put £36 million back into Careers Wales. I mean, that's just not ever going to happen. But what we can do, and we are doing, is funding the redesign of all of their web-based tools and getting a much more digital service going. And then, as Jo said, what we'll be able to do is we'll be able to align people what they need. So, some individuals will obviously need a face-to-face interview with a careers adviser and so on, but not everybody needs that. And it's not just people who are part of the youth progression and engagement framework—so, people in danger of falling out of school—who need a careers adviser; sometimes, very mixed-up children who are otherwise fine need one. But we have a tool to identify those who need that. Actually, what most people need is good labour market intelligence and an idea of what qualifications you need in order to get into those jobs and whether those jobs are local or national.

[289] I often say, and I don't know if we can talk to your sister committee about this, but one of the best things to do about an area of work that we need people to come into but it's not very sexy at the moment, is to run a TV

programme, because the number of people who want to do forensic science far outweighs the number of people who could ever be on *Silent Witness*. So, if we could get somebody to run a detective series in a yoghurt-making factory, that would be very great. [*Laughter.*]

[290] **Russell George:** Right, we'll look into that. Do you have any further questions, Vikki?

[291] **Vikki Howells:** No.

[292] **Russell George:** With regard to Careers Wales, you said in your paper to us that you want to see significant increases in the number of Careers Wales advisers, but you also recognise that you're not going to put in the large amount of funding that's been cut from Careers Wales. How are you going to achieve that?

[293] **Julie James:** It's about rebalancing where they put their efforts. That's the real issue. And it's about lining them up better with the economic drivers, as well. So, one of the issues around work-based learning providers is that there's a disconnect between supply and demand, and so, what you have is you have a large number of youngsters who demand a course that actually doesn't lead to much. So, we have huge numbers of people who want to do—I'm sorry to always say it, but hairdressing is the classic one. It's a classic case of a young woman who actually wants to run her own business and have a skill, and that's the only business they know that women run in their area, for example. So, it is about redesigning the way in which the market works, so we're not rewarding the providers for providing courses that don't lead on to—

[294] **Russell George:** Because we've had some evidence to committee that, in north Wales, for example, there's one careers adviser servicing three schools.

[295] **Julie James:** Well, actually, the statistic is one careers adviser to six schools.

[296] **Russell George:** Is it really?

[297] **Julie James:** For last year. So, we'll be rebalancing that. We're also looking to put—

[298] **Russell George:** Rebalancing in what way? What do you want, one per school, or—?

[299] **Julie James:** We'll be moving—. Lots of careers advisers are specifically earmarked to deliver European-funded programmes, for example. So, what we're doing is we'll basically redo the whole budget of Careers Wales. We're not increasing the budget, but we've done a lot of work with ESF-funded programmes—I'm trailing my employability programme here, so I'll be careful not to be making announcements before I want to. But, as part of the employability programme, what we're doing is we're using Welsh Government money to blur out the edges of some of the ESF programmes, and we're using that Welsh Government money to help the careers advisers to rebalance in accordance with their new vision. So, they've got this new vision, and I don't know if you've seen it, but they've got a new vision document that they've put forward, and that rebalances the way that they spend their money.

[300] **Russell George:** I'm not sure if Jo wanted to come in, but can I just ask, in terms of one careers adviser for six schools, where do you want to see that end up? Do you want one careers adviser per school?

[301] **Julie James:** No, no, no, no—Jo.

[302] **Mr Banks:** Talking about the number of careers advisers per school is a little bit of a red herring, because it suggests that that is the entirety of the solution. Those figures don't include the work that Careers Wales do, for example, supporting education-business links, they don't cover events, activities, webinars, digital services or telephone helplines. There's a whole range of activities available to young people in schools, a range of services that aren't caught in that figure alone. So, there has to be some care around how we interpret that.

[303] As the Minister rightly says, in some parts of Wales, it was 6:1, on average overall it was around 4:1, but this year, recognising the need to put more resources in early on and recognising that that's a clear priority amongst partners and stakeholders, Careers Wales are working to now move capacity so that, across Wales actually, there's more around one adviser per two schools. But, critically, they're identifying those advisers to help to operate as account executives for schools, helping to co-ordinate the whole range of activities that the company provides for those schools. So, yes, individual advice, group sessions, webinars, all those sorts of things, as well

as helping to co-ordinate inputs on curriculum, inputs on education-business links, Business Class Cymru, those sorts of products as well.

[304] **Julie James:** So, it's important to remember that we're in the process of redoing the whole curriculum. The fourth purpose of the Donaldson review is around making people fit for work and employment. So, the whole system needs to be realigned to deliver that curriculum. So, careers will be really instrumental in helping to develop that. I'm also working very closely with Kirsty Williams about what we can get onto Hwb, what we can get in terms of digital resources for the school, and helping that school, as it shifts to the new curriculum, access all the right careers advice, and that will be through other systems as well. But I'm going to be absolutely frank: there is absolutely no way that we're going to be putting more money into Careers Wales, and that's the point of realigning it.

[305] **Russell George:** Okay, so on that basis, before I come to Jeremy, does Careers Wales have enough resource to provide impartial careers advice in schools?

[306] **Julie James:** I think 'yes', but—there's a 'but' with that—once they've reconfigured themselves to line up with their new vision, and we're in the process of doing that. So, we are in a transitional process for that.

[307] **Russell George:** Okay, I've got Jeremy then Hefin, I think. Then, Hannah, do you want to come in? Jeremy first.

[308] **Jeremy Miles:** Careers Wales obviously provides the service, but actually it would be helpful, presumably, to have schools more engaged in the agenda anyway of just broadly expanding the horizons of students about the nature of the local economy, what jobs might come along and what jobs there are—just a general approach to education really. There is anecdotal evidence that schools with sixth forms, for completely understandable reasons, are less good at this than schools without. It is anecdotal, so I issue that caveat, but we've heard it here. Would you welcome then, in a world where schools respond to what they're evaluated on, understandably, would you feel it was helpful, from an economic perspective and your portfolio's perspective, for schools to be required much more stringently to deliver this kind of broad connection with the world of business, and to be evaluated on it?

[309] **Julie James:** So, it's a conversation that's very much ongoing between

myself and the Cabinet Secretary for Education and the Minister for lifelong learning, in fact, about how schools are judged on the outcome. So, that's an ongoing and live discussion. But we do have a whole series of things going on. We've got the curriculum change, which will drive some of those evaluation changes as well. But we've also got things like Business Class, I think some of you have seen that. We've got collaborations between local groups of employers through Business in the Community, who work with clusters of schools to get all of the learners in those school clusters to be much more familiar with their local employment base. So, I think it's a combination of those things.

[310] There is something about how you're evaluated and people working to the evaluation tool, so we do need to make sure that schools are properly rewarded, if you like, for getting people into the right vocational pathways, as well as into the right academic pathways, and that's an ongoing discussion. But I do think it is as well about influencing the decision makers. So, we know that parents and grandparents are very influential in what they think their children should do and we know that a lot of children in Wales go on into the firm or company that their family has worked for. We need to make sure that that's spread out as wide as possible.

11:45

[311] So, we have a very large network of employers via the skills partnership network now as well, and I'm also chairing some panels of employers who are talking about exactly this, trying to get this on board. We have got the classic ones that we always trot out for you: GE Aviation. Shauna at GE Aviation is extremely keen on this. One of the things that she told me was that a very large number of their new recruits are from the families of people who already work for them. So, they're clearly not spreading that out far enough. So, there's some work to do, but we have a lot of initiatives already in place, and we will be rolling them out. So, I'm very keen on the Business Class ones. I don't know, Chair, if the committee has had a chance to speak to, or see, one of the Business Class initiatives, but, if you haven't, it would be well worth your—. We can set up that opportunity for you, because they are very good. Did you want to add something?

[312] **Mr Banks:** Thank you. I could just say perhaps a little bit more about Business Class. Business in the Community developed the model, and Careers Wales are licensed to deliver that product in Wales. What it involves is employers and schools coming together, and it's a two-way conversation.

It's: what does the employer want to get out of a link with a school, what does the school want to get out of a link with an employer? It's all about building longer term relationships and brokering those longer term relationships. At the moment, we've got about 81 partnerships up and running in Wales. It's not going to be the right product for every school in every location, but they're being very effective where they are operating. It can involve employers getting involved with governing bodies, with leadership and management issues. At the same time, it opens up the door for work experience, taster days, visits, mentoring, mock interviews—those sorts of activities. But it's all about building those long-terms links. Building on that, and understanding that that model isn't going to be right for everybody, Careers Wales this year are pushing for the delivery of an education business exchange model, which seeks to work with employers of all different sorts of sizes to understand, 'Okay, so, what are the range of opportunities that you'd like to make available to schools in your area?' They'll be starting this year to train schools in working with that tool, and the databases within it, so that they can actually see, 'Well, here are the employers in my area. These are the sorts of range of opportunities. These are the sorts of activities we'd like to engage with you on.' Careers and the world of work, as the Minister said, is a school-based responsibility, but it's really important that schools have access to tools and resources to help them build those links with employers that help deliver that school-based curriculum, as well as the feed through into the information, advice and guidance that follows from it.

[313] **Jeremy Miles:** Thank you.

[314] **Russell George:** Did you have any further questions? Hefin.

[315] **Hefin David:** Can I just, first of all—

[316] **Julie James:** Nice to see you, Hefin.

[317] **Hefin David:** Thanks. It's nice to be back. Have you seen the evidence that Careers Wales gave to the committee before recess?

[318] **Julie James:** Yes, I have, yes.

[319] **Hefin David:** Did you have any concerns about that evidence with regard to higher-level apprenticeships and degree?

[320] **Julie James:** Yes. We've had a conversation with them afterwards, and I think—I mean, Sam outlined where we were with that. I think that what you saw there was somebody who wasn't very familiar with the nitty-gritty, if you like, or—what's the word people use these days—granularity of the programme. I apologise to the committee for that; we can provide better information. But we're in the process of developing higher-level apprenticeships and degree-level apprenticeships at the moment. In terms of the degree-level apprenticeships, we have some operating, but they operate as sandwich courses. So, Airbus is the classic one that people always talk about. But we need to get through the Diamond review, and we probably need some legislation to get some of the part-time courses able to be funded.

[321] **Hefin David:** Okay. Can we take a step back? Do you have confidence that Careers Wales, as a body, has an understanding of what higher-level apprenticeships are?

[322] **Julie James:** I'm not sure that the people you were interviewing had that understanding. I think there is an understanding in the wider Careers Wales organisation. I think you were just talking to the wrong tier of people who actually deliver it. I think they accept that—if you asked them that outright, they'd accept it. Everybody's spoken to them about it. So, I think it would have been better if she'd just said, 'I don't know'.

[323] **Hefin David:** That's fair enough. But you've got the confidence that Careers Wales itself has that knowledge.

[324] **Julie James:** Yes. At the operational level, people know exactly where we are, and they know exactly what we're trying to develop, and they know it's linked to the way that we are doing Hazelkorn and Diamond and so on. Because what we're trying to develop is a whole series of different sorts of degree-level apprenticeships. So, you want a sandwich one, sure, where you go off and do your year's Master's or whatever, but we also want people to be able to do it part time while they are still employed and so on. We need some changes in the way that we do student funding to do that.

[325] **Hefin David:** My question was specifically directed to that, and I think you have answered it, so I'm happy to move on, Chair.

[326] **Russell George:** Hannah, do you want to ask—? If you've got questions on this, then if you want to move on to your subject area.

[327] **Hannah Blythyn:** Yes.

[328] **Russell George:** That's fine. Great.

[329] **Hannah Blythyn:** Just going back to something that we talked about in a previous session about getting the best value out of work experience for learners, because I'm sure you will agree that it's often a case of the contacts a young person's got, rather than actually what's best for them in terms of their future career path. One of the things—. I did a session with apprentices from across the public and private sector in Coleg Cambria in my constituency, and one of the interesting things they came back with was the idea of—and I think it might fit in with some of the things that Sam outlined in the presentation—actually to run the sort of projects that would give young people a taster of what is out there and match it to the skills that are needed and the opportunities that are available—so, making a more structured work experience or taste of work that aligns with the skill set and the various apprenticeships, and also, at the same time, would raise awareness of the different apprenticeships. I think what they came back with is that the young people there only seemed to know about certain apprenticeships if somebody else had told them about it, rather than understanding the whole variety of options that were out there. So, is there room for that to be part of actually looking at how we improve Careers Wales and that guidance for young people?

[330] **Julie James:** Yes, and that's about the line-up with the regional learning partnerships as well, and about this business about labour market intelligence and how we feed that into the schools. But work experience is a really interesting one, isn't it? Where it's successful, it's actually a much more immersive experience for the learners. So, what we want is schools to develop better relationships with a whole range of employers in their area, so that you don't go for the classic work-experience week where you sit in the corner and make bad coffee for people.

[331] But we're also—I think I've said this in the committee before—working on developing a toolkit that we can give to smaller employers, who perhaps don't have a HR department that can sort out their work experience, which is a kind of, 'If you do it like this, it'll be a good work-experience arrangement for people', because we do think that people are reluctant to give work experience where they don't have a HR department or they're a smallish firm and they think it's too difficult. You often find—this is anecdotal, so forgive

me, I don't have any scientific evidence of this, but I'm told constantly of stories where they give work experience to the kids of people who work there but they don't do it wider because it's very difficult to organise and all that sort of thing. So, I think we need to break down those barriers.

[332] One of the tasks for Careers Wales, working alongside the regional skills partnerships, and in conjunction with things like Business Class and so on, will be to produce a toolkit that a smaller firm can use and know that, if they offer that week's work experience to somebody, it will be a worthwhile week to have and it won't be just, 'Stand over there and make coffee', for a week. I think it puts a lot of smaller firms off. They don't want to give that poor experience, so they'd rather not give it at all.

[333] So, it's for us to develop something that enables them to engage easily and readily and, without too much effort on their part, to get involved in that programme. It's for us to sell the benefits to them of that, in having a wider pool of people likely to want to apply to them, and so on. We're starting to work on that. When we're trying to sell our work-based learning and our apprenticeship programme, we're also trying to sell the idea that you should have a better connection at the same time. So, it's a sort of integrated package, really. It makes a huge difference what size the employer is, because the bigger employers are broadly very good at it.

[334] **Hannah Blythyn:** Thanks. I think, in your opening, you touched on the current apprenticeship matching service and how that's being decommissioned and looking at a new, overarching one-stop shop for apprentice recruitment. So, I wonder if you could expand on that. Also, one of the feedbacks we've had in the session is the actual value of hearing from somebody who's done an apprenticeship. One of the things the young people I spoke to in north Wales suggested was that every school should have an apprentice champion, so they get that peer-to-peer contact as well, as well as the use of social media and things as a new way of reaching them too.

[335] **Julie James:** I completely agree with that. We have a whole programme of apprenticeship champions and apprenticeship—. People who've done—*[Interruption.]* And ambassadors and all the rest of it.

[336] **Ms Huckle:** And bloggers.

[337] **Julie James:** Yes, we have bloggers as well. And we've been doing

these little vignettes as well on the Skills Gateway, of people doing a little two-minute clip of, 'I'm an apprentice in so and so and I do this', because you're absolutely right, the live experience of what somebody's doing is really good. It's part of the same picture, isn't it? It's about the connection between the school and its learners and its local employer base, and getting the younger apprentices to go back in and speak to people from whom they're not very far away in age and talk about how they got to where they are and it's a different route.

[338] But, in terms of the apprenticeship matching service, it was born a long time ago, before one-click-everything got going. You have to register, for goodness sake. Who can be bothered to do that these days? What people want is a sort of Tinder app, where they can go like this through all the apprenticeships and think, 'Oh, that one looks nice'.

[339] So, we'll be developing a better, more twenty-first century solution to some of that and, as Sam said, we're also trying to corral all of the offer of apprenticeships into a place where people can go, because at the moment what you've got is live vacancies only. That's all very well, but, if you're trying to plan for two years' time what you want to do, that's no good to you. What you need is the range of apprenticeships on offer, even if there aren't live vacancies at the moment, and so on.

[340] So, the one I always use—and I apologise, but it's a classic one—it's as hard to get into the Airbus apprenticeship programme as it is to get into Oxford or Cambridge or a Russell Group university. But how do you know that? How do you know what you need? If they're not advertising vacancies at the moment, how do you actually know what—? So, that's what we need. We need a thing that tells you, 'These are the apprenticeships available in Wales, even if there are no vacancies at the moment, and you require this level of qualification to get into them, and this is how you contact those people', and so on.

[341] **Hannah Blythyn:** Just on that access to apprenticeships and the application process, we know how high the demand is, say, for Airbus, and how difficult it is to get into them and, like you said, with GE Aviation, it's often people who have got somebody who can help them through the application process. So, would things like Business Class help give greater support for people going through that process? Because it must be quite—you know, it's like a young person going to apply for Oxford or Cambridge who knows nobody who's done that. I think it's the same sort of thing—

young people need that support to go through the application process.

[342] **Ms Huckle:** It'll come into the service that we're designing, because one of the critical things that we're coming up against is that individuals struggle in terms of applying for jobs that have apprenticeships attached to them, and when they get to the interview there are the behaviours they demonstrate at the interview and the research they do on the company. So, there's quite a range of services there. One of the things that we've been kicking around is a pre-apprenticeship programme that we're calling an apprenticeship trial, which absolutely does that. It gets an individual ready to enter into the job market, to think about where the vacancies are, to think about the employers, how they represent themselves at the interview, to get a bit of experience of that employer, is there a good dynamic between the two of them, do they feel that they could continue on an apprenticeship there—so that is definitely one of the areas that we're interested in enhancing the apprenticeship programme on for the younger age groups.

[343] **Mr Banks:** I think we all understand the challenges for young people who are pursuing an academic route and filling out their UCAS applications and the challenges associated with that. There's an equal challenge, isn't there, in terms of supporting young people to make effective applications to apprenticeships and that sort of thing. There is information available at the moment, but I absolutely accept that there's a collective work to be done to understand how we can best tailor that and support those young people.

[344] For example, on CareersWales.com there is information. A new section has been available since last September, which has had over 30,000 hits, in terms of employers that offer apprenticeships, giving case studies, information, links through to all those employers. Because, of course, many employers choose to advertise their vacancies themselves, through their own routes, they have specific information, it's quite individual.

[345] So, steps have been taken to bring that information together, but there's still a big job to do in terms of helping people navigate that process and feel confident and empowered with the right skills so that they have the best chance of making those successful applications that the employers will respond to.

[346] **Julie James:** Can I just make the last point, as well, sorry, on this?

[347] **Russell George:** Yes, that's fine. Have you got any more questions

after that, Hannah? No.

[348] **Julie James:** It's just trying to clear up a confusion, and if you're not confused then forgive me, but it was something I was very confused about. Obviously, not all apprenticeships that are available in Wales are Welsh Government-supported apprenticeships. The other issue is how do we persuade people who are just funding their own apprenticeships for whatever reason to also co-operate with us, because actually it's important that we try and—. So, UCAS—you've corralled all of the possibilities. We've got quite a bit of work to do, because actually quite a lot of apprenticeship programmes aren't in our programme. So, it's about making sure that people see the whole spectrum, if you like, because obviously we support a lot of them, but we don't support all of them. I would like to get to a point where a person who's looking gets to see all of the opportunities available.

[349] **Russell George:** Just for my own peace of mind, just to clarify, you're decommissioning the apprenticeship matching service next year, and you're replacing it with—?

[350] **Julie James:** We'll be replacing it with something a lot whizzier, is all I'm saying at the moment. We're working on it, is the issue.

[351] **Russell George:** Okay. You're working on it, but you'll be launching that next year.

[352] **Julie James:** As soon as we possibly can.

[353] **Ms Huckle:** Yes, it will be. It'll be a Welsh apprenticeship service that'll provide a range of services outlined relevant to the entry points that you've got onto apprenticeships. So, it'll help individuals in terms of understanding what an apprenticeship is, understanding where the vacancies are, understanding where they can progress to, and their parents, but it'll also provide support where you've got an employer that wants to look at their workforce skills and upskill. So, it's a complete service that will sit around apprenticeships.

12:00

[354] **Russell George:** I understand what you want to achieve, but what I'm asking—

[355] **Julie James:** As soon as we possibly can.

[356] **Russell George:** Yes, but if you're decommissioning the other service then this has got to be ready, because you're going to be launching this new service—

[357] **Julie James:** To be honest with you, Chair, the other service is not good and it's not well used, so I—

[358] **Russell George:** So, therefore, there's not going to be a gap in—

[359] **Julie James:** No, I don't think it will create a big gap.

[360] **Russell George:** There's already a gap—that's what you're saying.

[361] **Julie James:** I'm not trying to be cagey about it. I really do mean as soon as we possibly can. So, as soon as it's ready, we will go for it. It will be before next year. I'd be very disappointed if it wasn't before next year, but as soon as possible.

[362] **Russell George:** So, sometime this year, you'll be launching your new service.

[363] **Julie James:** Yes. I would hope this summer, to be honest, but I don't want to be held to that because I'm not absolutely certain we can do it, but as soon as we possibly can.

[364] **Russell George:** Okay, so, by the end of this year, you'll be launching your new service to replace that. Right, thank you. Jeremy Miles.

[365] **Jeremy Miles:** Thank you. You spoke about the progress being made in terms of engaging with employers, Sam. I think I'm right that the number of employers offering apprenticeships is about 13 per cent, but the number actually employing apprentices is about 9 per cent. I think those numbers are right.

[366] **Ms Huckle:** That's what the UK Commission for Employment and Skills research data tell us, yes.

[367] **Jeremy Miles:** Okay, right. Do you have a sense of how far you've been able to move the dial on that, as a result of the engagement steps that you've

been describing?

[368] **Ms Huckle:** The data that we collect on employers are relatively unclear. For instance, Tesco is recorded in 100 different ways, depending on how the data fields. So, it's very difficult for us to identify whether employer numbers and breadth are moving, if I'm absolutely honest. What we do know is that we've got 200 lines of enquiries in for levy-paying employers, and we do know that, in apprenticeship week, we reached out to 77,000 employers through that process.

[369] **Jeremy Miles:** Is it right to say that you haven't—I don't want to put words in your mouth, but is it right to say that you haven't got an effective mechanism for tracking the conversion of engagement into basic results?

[370] **Julie James:** We haven't had, in the past. That's what I was saying earlier in response to Russell; we need to look at that mechanism. We haven't got it at the moment. We clearly would like to have it. We want to be able to track whether our marketing strategy is actually turning into converted results, and we're not there. We currently measure it on how many people we've spoken to—most marketing campaigns do that. But I would very much like to know how many of those subsequently go ahead.

[371] And the last thing to say, because we're going to run out of time, I'm sorry, is that we're also very keen on pushing things like shared apprenticeship programmes, so that small SMEs can get involved in the apprenticeship programmes. At the moment, funding an apprenticeship can be quite expensive for a small employer. So, we have a shared apprenticeship scheme in Ebbw Vale, for example, and I'm very seriously hoping to run that out through the Valleys taskforce any minute now. I think we're nearly there, aren't we, on the approvals to that?

[372] **Ms Huckle:** Within the next week.

[373] **Julie James:** So, it should be very, very soon. Then that will boost the numbers because obviously then a larger number of smaller SMEs can get involved in that programme. We will be tracking that, because we haven't done that before.

[374] **Ms Huckle:** It's a complicated calculation, because it isn't just about increasing the number of employers. It's increasing the number of employers in the right areas to provide us with high-quality apprenticeship

opportunities that have got good wage returns.

[375] **Jeremy Miles:** Absolutely. I just want to take that one step further, because you mentioned SMEs, and you'll know from the forum that I did in Neath that one of the issues that came up there was the capacity of larger employers to support their supply chains in delivering apprenticeships. What's your picture of how much progress is being made on that?

[376] **Julie James:** We've got some progress on that. We've got a number of companies that do do that, and we've been working really hard with the ones that we think could do it. I'm also—I'm going to try and talk as fast as possible now—talking with Mark Drakeford about the way that we do community benefits procurement arrangements so that we can drive some of that further down the supply chain. That's an ongoing—. It's not something that I can tell the committee we've got any particular outcome of; I just want you to be aware that we're very seriously discussing what we can do in terms of leverage with Welsh Government money to encourage people to help their supply chain train up as well.

[377] But you won't be surprised to know that it's the bigger companies that do that. So, we know that Tata does it with its supply chain. Valero does it. In fact, Valero is excellent, because they over-train the apprentices that they need in order to supply their supply chain, which is a very Germanic model of doing it. We've got a lot of the fintech companies, Deloitte and all that sort of stuff. They also do that. So, we are encouraging it. We absolutely accept that there's a lot more we can do. I'm in active conversation with the Cabinet Secretary who's got procurement responsibilities in terms of how we can restructure community benefits to ensure that we drive it into the supply chains as well.

[378] **Jeremy Miles:** Okay, thank you.

[379] **Russell George:** I've got questions from Mark and then Hefin. So, try and be succinct in questions and answers, if possible. Thank you.

[380] **Mark Isherwood:** Okay. Well, I hope the Dalek had a fair trial—*[Inaudible.]*

[381] **Julie James:** It was exterminated. *[Laughter.]* I had to say that, sorry. It had to be done.

[382] **Mark Isherwood:** I asked for that, yes. Although your apprenticeship target is similar to the total number of apprenticeships in the last Assembly, barriers have persisted for some groups and access to all. What actions are you taking, particularly in relation to people coming from low-income households, in relation to transport costs, apprenticeship minimum wage and issues at a UK level, such as child benefit policy? More broadly, we've taken evidence that only 1.3 per cent of apprenticeships in Wales go to disabled people, compared to 9 per cent in England. What specific action are you taking regarding that, possibly as a Government, but also working with agencies like the Shaw Trust and Remploy? What action are you taking to promote and provide bilingual and Welsh-medium apprenticeships? You've already, I think, touched enough on the cross-border issues. Finally, you mentioned junior apprenticeships. What consideration have you given, or are you giving, to developing pre-apprenticeship programmes, which have been promoted in some of the evidence we've received?

[383] **Julie James:** I'll rattle through some of that. We've been in active engagement with the UK Government for some time about the child benefit rules and the way that that disincentivises families, because, you know, basically, being an apprentice is an employment. Therefore, you lose child benefit once you go into that, and that seems like a very serious disincentive to us. So, we've been in active conversation and we'll continue to be in active conversation about that and, actually, some other benefits as well. There are other benefit-trap type of things. The way that it affects housing benefit, for example, can be counter-productive. So, we're in active conversation about how—. And to be fair, the UK Government, because of its new emphasis on work-based learning, is actively looking at some of these disincentives as well. So, I mean, that's just an ongoing and active conversation. We are very aware of some of the issues.

[384] In terms of the minimum wage, we're lobbying heavily that that should be raised, because it's very low at the moment. We'll be looking very actively, in a much broader sense, at low pay in general and what we can do to support families with that. With Remploy, we've got a caseworker pilot going on, which seems to be working very well. We're also working with some companies who are helping us train our employers to be what they call 'disability-confident employers'—so, actually helping them make the reasonable adjustments necessary. Because people have this massive barrier in their mind that actually isn't there for a lot of people with various disabilities—learning difficulties, and so on. So, we do work very actively with that. We're going to be—. I've been putting a huge emphasis on this diversity

bit. You know, there's absolutely no reason why we shouldn't have as diverse an apprenticeship workforce as we have in any other area, and we've got a number of programmes running, which are pilots at the moment, with Remploy and others. In fact, I'm due to meet Remploy next week to talk about where we're going with that. We're putting some emphasis into that diversity.

[385] You haven't asked me specifically about the gender diversity, but we've also got—. Figures look okay at a headline level in gender terms. We have equal numbers of women and men on apprenticeships. But when you go down a level, we've got the same problem we always have, which is that a large number of the women are in social care-type apprenticeships, and a large number of the men are in 'hard' type apprenticeships. So, we need to do a lot more work on that. We've made some strides in construction terms, but not so much in others. So, we will be emphasising that as well. Did I catch everything that you asked me, then, Mark?

[386] **Mark Isherwood:** Transport costs, which have been raised with us, particularly for young people from lower-income backgrounds, the Welsh language issue and the pre-apprenticeship programme.

[387] **Julie James:** So, in terms of the transport costs, that's a real problem. We've maintained the education maintenance allowance, obviously, and we know that people use that for transport costs for college. We've got the financial hardship fund; we're in negotiations around that. The problem is if we supply it specifically as part of the apprenticeship programme, it's a taxable benefit. So, you actually get into some severe difficulties with that. So, we're actively looking at it and we're aware that it's a problem. We're also working with some of our employers about what their transport arrangements are. I have some anecdotal evidence around people holding on to old shift patterns that start at 6:00 without ever considering whether that means that people can't access public transport, for example. So, working with our employer base to ensure that they actually think actively themselves about how their workforce gets to them will be part of that, although it won't be all of it, because, obviously, there's a cost implication as well. But you'd be surprised how many employers have never given that any thought. They come and tell me that they can't get people, and then when you look into where their shift patterns are, they have bizarre shift patterns that are outside normal transport arrangements, and they've not given that any thought because it's kind of historic or whatever. So, we are working very hard on that.

[388] In terms of the Welsh language, we're very much promoting Welsh language provision. We're putting the Have a Go stuff into the Welsh-medium schools to make sure that that's going, and we've been working very hard with our provider network to make sure that we have good Welsh language provision across Wales, especially where the demand is higher. But putting the Have a Go stuff into Welsh-medium schools, we hope, will really push that. The Have a Go stuff seems to really enthuse people. I don't know, again, if the committee's had a chance to have a go, but we have this range of equipment that you can have a go on, and it's amazing. There are all kinds of stuff that you can do, ranging from welding with a virtual welding machine—I destroyed half of Wrexham with some digger thing. Yesterday, I was at the vocational awards, which were inspirational, as always, and they had the new—what do they call them—Resusci Anne things, with all of the big, horrible cuts on them. And they had nurse and public services-type experiences going on there. They're quite inspirational—you can see the youngsters getting pulled into it. It's very interesting. So, putting those into Welsh-medium schools will really push that as well. I think that covers all of that.

[389] **Ms Huckle:** The pilot with the Urdd—

[390] **Julie James:** Oh, yes, the pilot with the Urdd.

[391] **Ms Huckle:** They've got their own apprentices, but we're going to use the Urdd as a main engagement tool, utilising what they do in terms of cultural and sports, promoting the messages for Welsh language apprenticeships to pull them through, and that will be quite a big development for us, given the size of their engagement network. So, that is just being pinned—the design of that pilot work.

[392] **Julie James:** We've had some really good engagement with the Urdd, actually.

[393] **Russell George:** And the last area, Hefin. Do you have final questions?

[394] **Hefin David:** Well, I'll ask a very short, quick question, then. What role do you think that apprenticeships and regional skills partnerships and the whole apprenticeship deal are going to play with regard to the economic strategy that's forthcoming, and regional focus?

[395] **Julie James:** We're very much trying to make that a bottom-up approach. So, the whole point of the regional skills partnerships is that employers are assisted locally to bring their labour market intelligence to us, and then we will be funding the whole of our work-based learning programmes via the skills partnerships. So, what they tell us is needed in their area will drive our funding. That's very much then connected to all of the stuff we've talked about. We've talked about it for the last hour, haven't we, about how we get the supply chain of individuals into that. So, we need to make sure that our learners are approaching that from the right point of view, and that that joins together, and then the business element of that. So, the economic strategy and the support for business match it. So, we'll be reconfiguring some of the way that we do business support in order to match that, so that we have a single set, if you like, of arrangements that are transparent for employers. Because one of the messages we get all the time is, 'It's too complicated. We can't figure out who we're supposed to talk to. There are too many different committees that are doing various things'. So, the idea is to pull it all together into the same regional arrangements so that people have a transparent understanding of where this information is coming from, and then we match our funding, both for the businesses and for the apprenticeships and learning and skills programmes, at the same time.

[396] Then, the very last complication—you're going to hate me for doing this in the last minute—is, of course, it has to match up with the city regions as well. So, the city deals have to match that. So, we're working very hard with local authorities and the city deals to make sure that they match together and we don't put another overlay over it, because there's always that temptation to make it more complicated for no reason. So, it will be very important to make sure that these structures are fit for purpose into the future, and are able to take all of those programmes together. So, they'll be configured on the same basis, basically.

[397] **Russell George:** Do you have any further questions, Hefin?

[398] **Hefin David:** No.

[399] **Russell George:** Are you sure? One last question from me. How can you support apprentices who want to train across the border in England?

[400] **Julie James:** Okay. That's quite a big question. It's problematic at the moment. Sam touched briefly on it in her presentation. We're looking to be sure that employers that have a pan-UK operation have a seamless

operation, but, at the same time, we want to maintain our emphasis on quality. So, we're in conversations with them about that, and Sam very briefly touched on this whole area about what qualifications are included in the frameworks, and whether it's an end-of-term type test and all that sort of stuff. So, the short answer is that we're in conversation with the employers most affected, to try and make sure that our system matches it, but I would be misleading you if I said that it was sorted, because it isn't. So, there's still a complication around the levy, about who pays for what and so on. But we're in active engagement with—

12:15

[401] **Russell George:** It's not so much about the levy. It's about the money following the apprentice.

[402] **Julie James:** I'm afraid that is the levy.

[403] **Russell George:** Yes, okay—

[404] **Julie James:** So, that's the problem. The system that pays for it in England is very different to the system that pays for it in Wales, and the way that the two match together is very complicated. But we are in active engagement with trying to sort that out for people, and as I say, in active engagement with specific employers who have that problem. If you know of any specific employers—

[405] **Russell George:** You want examples, yes.

[406] **Julie James:** Let us know, because, obviously, it might be that we have to sort it on an individual basis.

[407] **Ms Huckle:** And generally, that's how we're approaching this. It's the content. We're trying to mirror the content, and then we're trying to mesh the sub-contractor arrangements between sub-contractors in England and sub-contractors in Wales, linking together in order to be able to service those national companies and those apprentices. It's quite surprising how many different scenarios start to come out of the woodwork when you look at the different arrangements that have been operating across the border.

[408] **Russell George:** So, the examples I've got: a training provider in Shrewsbury has contacted me, and it sounds like I should put them in

contact with you, shall I, Sam?

[409] **Ms Huckle:** Yes. We have a team that deals with these enquiries.

[410] **Julie James:** I don't want to make it sound ridiculous, but it really is getting to the point where we're having to sort it out individually, because it hasn't been possible to get a governmental arrangement in place.

[411] **Ms Huckle:** Although we did lobby for it.

[412] **Julie James:** We did lobby, I know. But it's—

[413] **Russell George:** You did lobby for it, but it wasn't successful.

[414] **Julie James:** It's just so complicated; it really is.

[415] **Ms Huckle:** We didn't want any rules to be put onto the spending of the vouchers, to allow cross-border activity to take place, but that was rejected by the UK Government.

[416] **Russell George:** Okay. That's good to know. Thank you for your time.

[417] **Julie James:** But if you have specific incidences, do let us know and we'll sort it—

[418] **Russell George:** I will. I'll come through to you, Minister, and you can pass it on to the appropriate people.

[419] **Julie James:** Sure.

[420] **Russell George:** I'm very grateful for your time this morning and for the presentation. And thanks for the extra time this morning. Thank you, Minister.

[421] **Julie James:** You've done well out of your extra 10 minutes. [*Laughter.*]

12:17

Papurau i'w Nodi
Papers to Note

[422] **Russell George:** Item 5 is papers to note. Are Members happy to note the papers? Thank you.

Daeth y cyfarfod i ben am 12:18.
The meeting ended at 12:18.