



Julie James
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14 July 2015

Dear Julie,

Co-investment in Skills Framework

Thank you for attending the Enterprise and Business Committee meeting on 11 June to discuss the Welsh Government's Framework for the Co-investment in Skills in Wales. Members of the Committee appreciated the detailed responses you gave during the session. As you know, we have held two events at which stakeholders were invited to contribute their thoughts on the Framework which you launched in April.

I would like to take this opportunity to share some of the comments and concerns which were raised during the events. I would be grateful if you could respond to the Committee on the issues raised:

Necessity of approach

There was a recognition from all the participants of the events that in the current economic climate the possibility for public funding of training is limited.

Communications

Concern was expressed that the new policy has not been widely promoted. There are many training opportunities which are wholly funded by Structural Funds which may not be available beyond 2020.

There was a request for a clearer definition of 'co-investment', for instance, does it include 'in-kind' contributions, for example, the cost to a business of releasing an employee to attend a course?

Participants wanted to know how the Welsh Government is going to ensure that employers in Wales are aware of the changes. Can you share with us the detail of any promotion campaigns you are undertaking? Committee Members are keen to help spread the word about the changes.

Potential unintended consequences

By far the most urgent comments made in our events was the concern that this approach will result in the provision of far fewer apprenticeships and other training opportunities in Wales.

Also, that larger employers will bear the burden of the cost of training. There was concern that trained staff will be poached by smaller companies. This was mentioned in the context of the tourism industry, particularly.

Employers in sectors with existing levies, for example construction, fear they may pay twice for investing in skills.

Can you clarify if any measures are being taken in the implementation planning which will ensure that the available investment from Government and employers is spread across the age range of employees in order to allow equal access to training opportunities regardless of age?

Implementation

Participants were concerned that the implementation timetable is too short and that such a major cultural change is being brought in without sufficient preparation.

Participants were not convinced that enough is being done to ensure the quality of the training provided will be maintained. The framework makes references to influencing the quality of skills investment, can you clarify what mechanisms will be in place to ensure the quality of training is measured and maintained?

Questions remain about the nature of the investment from now on, for instance, is the Welsh Government going to invest more in some areas of Wales than others? For instance, we heard evidence in North Wales of existing skills shortages

associated with a shrinking labour market. Participants at our event had concerns about how the demands for skilled labour will be met when major projects such as Wylfa Newydd get underway.

Would welcome more detail on the funding for levering in employers who are not yet engaged with training and apprenticeships mentioned in the evidence on 11 June. (para 29, Enterprise and Business Committee meeting, 11 June 2015).

Can you provide details of whether the Welsh Government procurement best practice includes training and social clauses as a requirement rather than as guidance?

Can you clarify what, if any, role the Federation of Small Businesses; the Confederation of British Industry and the Chambers of Commerce will have in ensuring the success of this policy change?

Thank you again for the evidence you provided to the Committee. Members of the Committee are keen to follow up on this issue and will be recommending that the next Assembly Committee which covers the skills portfolio receives an update on the implementation of this policy.

Kind regards,

William

William Graham

Chair, Enterprise and Business Committee

