



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

Y Pwyllgor Menter a Busnes **The Enterprise and Business Committee**

Dydd Mercher, 25 Chwefror 2015
Wednesday, 25 February 2015

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Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Rhun ap Iorwerth	Plaid Cymru The Party of Wales
Jeff Cuthbert	Llafur Labour
Byron Davies	Ceidwadwyr Cymreig Welsh Conservatives
Keith Davies	Llafur Labour
William Graham	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Maggi Dawson MBE	Prif Weithredwr, WEA Cymru Chief Executive, WEA Cymru
Julie James	Aelod Cynulliad, Llafur (Y Dirprwy Weinidog Sgiliau a Technoleg) Assembly Member, Labour (The Deputy Minister for Skills and Technology)
Nick Lee	Pennaeth Polisi a Chudd-wybodaeth, Llywodraeth Cymru Head of Policy and Intelligence, Welsh Government
Huw Morris	Cyfarwyddwr y Grŵp Sgiliau, Addysg Uwch a Dysgu Gydol Oes, Llywodraeth Cymru Group Director, Skills, Higher Education and Lifelong Learning, Welsh Government
Jeff Protheroe	Rheolwr Gweithrediadau, Ffederasiwn Hyfforddiant Cenedlaethol Cymru Operations Manager, National Training Federation for Wales
Dr Greg Walker	Prif Weithredwr, ColegauCymru Chief Executive, CollegesWales

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

Rachel Jones	Dirprwy Glerc Deputy Clerk
Marc Wyn Jones	Clerc Clerk
Anne Thomas	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:29.
The meeting began at 09:29.

**Cyflwyniadau, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **William Graham:** Good morning and welcome to our committee meeting this morning. The meeting is bilingual. Headphones can be used for simultaneous translation from Welsh to English on channel 1, or for amplification on channel 2. The meeting is being broadcast, and a transcript of the proceedings will be published later. May I remind Members and witnesses that there's no need to touch the microphones, which should come on automatically? In the event of a fire alarm, would people please follow the directions from the ushers?

09:30

**Cyfleoedd Cyflogaeth i Bobl Dros 50 Oed—Colegau Cymru ac WEA Cymru
Employment Opportunities for People Over 50—Colleges Wales and WEA
Cymru**

[2] **William Graham:** This is our last session of the committee inquiry into the employment of people over 50. I welcome our witnesses, and ask them to give us their names and titles for the record.

[3] **Mr Walker:** Greg Walker, chief exec, Colegau Cymru.

[4] **Ms Dawson:** Maggi Dawson, chief executive of WEA Cymru.

[5] **William Graham:** We'll go straight into our questions, and the first question is from Jeff Cuthbert.

[6] **Jeff Cuthbert:** Thank you very much, Chair. Good morning. This is an opportunity for you, really, to set the scene as far as both your organisations are concerned. We understand in terms of Colegau Cymru that you're the main deliverers of learning opportunities for people over 50. We recognise that there are potential problems in that they're maybe twice as likely as younger people to have no qualifications, or at least, no relevant qualifications. How are you approaching that, of course, at a time of difficult spending, and we recognise that? Perhaps what could the Welsh Government do more of to encourage the over-50s to get relevant qualifications, particularly in terms of work-based qualifications?

[7] **Mr Walker:** Indeed. Thanks for that question. As you mentioned, further education colleges are the predominant providers for re-employment and re-engagement opportunities for the over-50s. It's a key area of work that is a key priority for colleges. A lot of it's done through mainstream funding on a part-time basis, but as you'll be aware from other papers you've received as well, through work-based learning, and you'll be aware more than most, Jeff, that colleges are key providers in work-based learning contracts, as well.

[8] The challenges we face are clearly those of making sure that our offer for that particular age group is relevant to their skill mix and their skill needs, and that's a different skill offer than necessarily those for the under-25s. The part-time nature of our courses differs, therefore, from the standard offer by work-based learning. One of the things that we highlight in the paper is that because of the stage of life, and because of elder care and childcare responsibilities, a lot of the over-50s do appreciate the opportunity to train part-time.

[9] Our challenges as colleges will be to manage the downturn in public expenditure for

our mainstream part-time adult budgets, whilst also addressing the changing skill requirements of that particular age group in terms of self-employment skills, entrepreneurship skills and the like. Some of the things we'd like to perhaps throw into the mix and suggest would be the role that colleges could play increasingly were the devolution of Department for Work and Pensions functions to happen. That would be something we'd want to perhaps talk about. Potentially, with local government reorganisation, there could be more of a commissioning role for local authorities rather than a provision role, so we could take over some of those functions potentially. So, there's a lot to think about in the coming period. But this is clearly, as I allude to in the paper, a challenging period in terms of funding for the colleges for this particular area of work,

[10] **Ms Dawson:** Can I come in there? Hello. WEA Cymru is in the privileged position of being not only a designated further education institution, therefore a member of ColegauCymru, but we're also a member of the third sector because we are a charity, a company limited by guarantee, a membership body, as you maybe realise. So, our aim is to work with people who really need that second chance or third chance to get back into learning, and to work with people particularly who have low skills or few qualifications. Now, we will do this in some cases by targeting over-50s, but in most cases by integrating our classes, so that we wouldn't necessarily have specialist courses, but we do have some.

[11] We offer learning in the community, but also in the workplace, as you probably know. So, one of the ways that we would reach people with low skills in the workplace is by working through the trade union movement and working through union learning reps, which we find is most effective, and using, very effectively, the Wales union learning fund, which is absolutely excellent in terms of reaching those people who have essential skills needs. What we offer is our programmes that are largely worked out in partnership with specialist organisations. So, we're not an organisation that would just put on a class in the community and expect people to just walk in. What you would aim to do is work with your partnership organisations to determine what is it that that group of people wants and needs, and particularly if you're talking about working with older learners. What are they already bringing to the table, recognising that perhaps if they've been made redundant they'll have confidence issues and they are possibly feeling lonely, depressed and out of sync with the rest of their community? Very often, some of the third sector organisations that we work with will pick that up, and we would be saying, 'Okay, we will work with you to tailor a course, to recognise what it is that your learners require'. So, some of those courses then have been supported through European structural funds quite effectively, and some of them have actually had work placements associated with them. So, you'll have the intermediate labour market opportunities that were offered under the previous ESF programme, and we did it through the Wales Council for Voluntary Action very effectively, and are hoping that this will continue in the new ESF programme.

[12] There is also stuff where we had particular money from the lottery to run an open minds project, which was for people with mental health issues. Again, I think, particularly if you are over 50 and you've got some mental health or other work-inhibiting illnesses, it is particularly difficult to get back into the workplace, so I think we would be looking to tailor our courses for them. The tutor is absolutely key, that you've got the person who recognises that you actually have to negotiate the learning with your learners. I would argue that's where the WEA does things differently. That is where we come about. We're a membership organisation, a democratic organisation, that prides ourselves in making sure that we listen to where people are, and then move them into the appropriate learning opportunity.

[13] **Jeff Cuthbert:** If I may, briefly, you've raised, Maggi, many, many points there, and Greg, thank you for setting out the scene. As you say, the WEA, and I know you very well, does things differently. However, you're presenting together, so can I ask you how you collaborate in terms of using resources to the very best effect? Now, I'm not expecting—

Professor Donaldson is releasing his report just today for younger people, clearly, in terms of the curriculum, but what clearly is there is an emphasis on IT skills. Do you find that a particular problem in terms of level of IT skills for older workers and those over 50, and are there other areas that you find are peculiar to that age group in terms of needs and training for work?

[14] **Dr Walker:** You've hit one of the nails on the head in terms of digital literacy, and from the evidence that we've received from the colleges, that is a common theme coming back: there is a lack of confidence and lack of skills, particularly relating to digital literacy. That comes through much more strongly than it would with a younger age group. A lot of the courses that are put on on a part-time basis do focus on that area. But, as you'll be aware, digital literacy is becoming increasingly important, not just for life skills and so on, but in terms of getting a job. Now, most things are advertised online only in some respects, and so digital literacy is not just about silver surfers, as sometimes the media reports it, but it's about a crucial employment-related skill. It is one of the areas where we do focus a lot of work, and still there are non-digital literacy—but literacy issues—among that older age group as well. Some of the work that we do does focus on the basic skills element, especially for those who've been made redundant and who've been out of the workforce for a longer period of time.

[15] Other focuses include craft skills and tourism tends to be a focus of the some of the offers, particularly in areas of Wales where the tourism industry is a big employer, and that tends to be something that attracts a lot of support and a lot of learners into the programmes. Working together, I think, Maggi, you might be able to say something about how you've worked with other colleges and other organisations, Chair, if I might—.

[16] **Ms Dawson:** Fine, yes. So, I'll start with that—how we collaborate. I think that we really value being part of ColegauCymru, which means that we sit on the board with the other principals on an equal footing, which is very helpful, even though we're a much smaller organisation than many of the very large colleges now. We are part of all of the adult community learning partnerships across Wales. The aim of those partnerships, as you'll know, is to make sure that you provide progression routes, that you don't duplicate and that you are working together. So, very often, we won't go into areas where it's perfectly well-catered for by a local authority or another college. You'll find, if you look at a map of our provision, actually, we do very little, to be honest, in Pembrokeshire, because it is very well done by the college and the local authority. So, why would we go and duplicate that? We wouldn't. But we will be focusing on other areas, where there is plenty of work to do. It's very often a different approach, again, that's being taken, but the progression into college provision, and talking with other principals about how we make sure that that happens, or with HE equally, is important. We've found—and I think Estyn has proved this—we're not actually duplicating, particularly.

[17] Moving on to, 'What's the emphasis?' IT skills most definitely. I know that there was a piece of work done by NIACE a few years ago, when they were looking at their older and bolder strategy, when they said that something like 40% or 41% of the learning in later life was in terms of computer skills. I think what we're finding is that, actually, it's other things: it's communication skills, still. If you're looking at older learners, either retraining in the workplace or they've been made redundant and they need to go back and learn new skills, it may or may not be around computers. It's still a very, very big area, but it's also embedding essential skills in other things. It is, 'What are you capturing that those older learners actually want to learn?', and then fitting something else in, which is around essential skills. But a lot of the stuff is around people who haven't been interviewed for very many years, so it's interview skills, it's helping to write a CV and it will be, very often, stuff around, perhaps, food hygiene, health and safety—different things that enable them to do different jobs. But also, it could be use of social media, tablet training and that sort of thing.

[18] **William Graham:** I'm conscious that our time is running out. You're sparking questions already, so I've got questions now from Eluned and from Keith. So, if we just concentrate a little bit on our questions and answers, it would be helpful.

[19] **Eluned Parrott:** Thank you. Just a very brief question, if I may, to Maggi. You talked about the importance of working in partnership with people like the trade unions to reach older learners and identify their needs, but, clearly, there are some sectors of the economy where trade union membership is very much lower than others, and I'm wondering if you've noticed that you've had greater difficulties in reaching into some of those other sectors, and how you're tackling that.

[20] **Ms Dawson:** I think that you've hit the nail on the head: it's very difficult. I think we have yet to see how the whole co-investment strategy is going to work. I think it will be a challenge for all of us. We have a workplace learning team that aims to go out and to talk to microbusinesses and SMEs—particularly, we've been doing this in north Wales—and I would say that we could do with more resources on the ground, and probably a sharper focus there. There is a challenge; no two ways about it.

[21] **Eluned Parrott:** Thank you.

09:45

[22] **Keith Davies:** Gwnaf fi ofyn yn Gymraeg. Bore da i chi. Roeddech chi'n sôn yn fanna am weithio yn y cymunedau. Wrth gwrs, un o'r pethau y mae'r Llywodraeth nawr yn ei gefnogi, ac mae miliynau yn cael ei wario arno, yw Cymunedau yn Gyntaf. Faint o gydweithio a ydych chi'n ei wneud gyda'r bobl sy'n rhedeg Cymunedau yn Gyntaf yn y siroedd yng Nghymru?

Keith Davies: I will ask my question in Welsh. Good morning to you. You were talking there about working in the communities. Of course, one of the things that the Government now supports, and millions are being spent on it, is Communities First. How much collaboration is there between you and the people who run Communities First in the counties of Wales?

[23] **Dr Walker:** Some of that co-ordination will be done through the ACL partnerships on the local authority. That's how it's meant to happen: the collaboration between those delivering adult learning. That will be done on an LEA by LEA basis. Colleagues are meant to pool their resources in terms of what course availability there is in terms of allowing communications as to what the appropriate offer would be, so there isn't needless duplication that's going to be going on. I think there is a case to be made, as I said at the beginning, if there are going to be potential DWP powers and functions being devolved to Wales, that some of those functions could be best exercised, more coherently, by the colleges themselves delivering some of that work. Maggi has already mentioned the job interview skills and CV writing skills, which is something that the DWP would be doing. Also, LEAs as well: the work that they are funded to do by the Welsh Government, it could be there that there could be more of a commissioning role for the LEA and that the colleges, which now, as you know, are more regionally based rather than based on the LEAs, because of their size and because of the mergers in the last 10 years, would be in a very good position to do some of that work.

[24] **Ms Dawson:** I would say that we actually measure, in our strategic plan, how far our learning is delivered in Communities First areas. So, it is a target for us, and that is very clear direction from our governing body. I would say that, across Wales and across the adult community learning sector generally, usually there is strong relationship with Communities First, but not everywhere. I think that, if I may make an observation, I would say that, sometimes, because Communities First sits under a different department in Welsh Government, there hasn't always been the understanding within some Communities First

clusters, or partnerships previously, of the value of adult learning. You've often knocked on the door and said, 'We are here; we will bend our resources to meet your needs, but please talk to us. Also, we know what has happened previously that's worked—we've been around a very long time. You don't need to reinvent the wheel; just talk to us'. I think that, sometimes, there's been this misinterpretation of community development. I'm a trained community development worker—that's my background. I think that it is grand empowering communities—that is important, and that's what WEA is about—but, sometimes, communities don't know what they don't know, and they need to be advised and guided by the people who are in the field and know. I think that there's a section of Communities First that deals with health, education and employment. I wouldn't always say that the education element come and speak as much as they might do. Maybe that's our fault as well, but I would argue we have bent over backwards.

[25] **William Graham:** Thank you. Rhun.

[26] **Rhun ap Iorwerth:** Back to back with this inquiry, we've been looking at barriers to access for young people, as well. I wonder if there's a connection and where one affects the other. The Government has put the focus on improving skills for 16 to 18-year-olds. Is that closing doors or having an effect, in any way, at over-50s and their opportunities?

[27] **Dr Walker:** I'm bound to say, for part-time opportunities, it will in a couple of years' time, because of the funding reductions that may be agreed or may be planned. It will have a big impact on the availability of part-time courses at colleges—a big impact. That will have an impact in terms of the employment opportunities that people will be able to pursue as a result. We know the context: the Government is facing a 10% cut in its overarching budget, and we know that there is a priority for education up to the age of 19. I don't want to rehearse arguments. Assembly Members will be aware of all the arguments around those agendas. But these are not just going to be minor impacts in the next 24 months. There will be quite a dramatic shift in provision, and we need to make sure that we don't lose the infrastructure behind that in the colleges, because there's a risk that, you know, when the economy recovers and when public expenditure recovers, if it does recover after 2020, we would then have to re-employ staff and reinvest in the infrastructure to get that back up and running again.

[28] **Rhun ap Iorwerth:** I wonder, either you, Maggi, or Greg: are there any particular areas that you're seeing suffering for over-50s due to financial constraints and the focus on young people?

[29] **Ms Dawson:** I would say that one of the issues that I'm particularly concerned about is now the lack of funding for family learning and inter-generational learning, because I believe that you cannot actually raise the achievement levels of children and young people, who are under-achieving through poverty or deprivation or whatever, without looking at the whole family and the inter-generational, and increasingly it's grandparents that are key in that, because the younger parents, perhaps, are going out to work. I think that it is very much a challenge for us to make sure that there's a joined-up approach when we are looking at tackling under-achievement in schools and seeing how can the funding that's going into adult learning actually be used most effectively. We're working with the Schools Challenge Cymru schools that the Minister has designated, but the way that we would do it is through family or inter-generational learning. I think that it's a big challenge for us that that funding has gone now from local authorities. So, WEA is saying, 'Ok, how do we then use our limited resource to actually put a programme in place?' That would be, again, working through Communities First and so on. So, there are huge challenges, I think, because of the focus on 16 to 18. It is a real problem for us, certainly.

[30] **Rhun ap Iorwerth:** Greg, you predict—it's not hard to predict, really—that there will be difficulties caused by tightening purse strings in the coming year, two or further. Are

there any areas in particular where that's going to hit over-50s as opposed to funding across the board?

[31] **Dr Walker:** Well, if the provision's not going to be funded for part-time adult mainstream provision by the colleges, then it will disappear or the older person will have to pay a contribution themselves for the courses that are put on. I think it's questionable whether that will be the case for many of the part-time courses that we currently put on, whether the over-50s have got the resources to pay for all of the courses that they currently access. This is a huge challenge; this is something that's happened in England as well, and in other parts of the UK, that funding has been cut back. That doesn't make it any better that it's happening in Wales as well. We need to be creative about where we potentially may be able to get synergies with the Work Programme, with the local authorities as well, so we need to take a constructive view as to how we can make sure that the offer for people over 50 is still going to be there in some way, shape or form. We need to work with that age group to ensure that if they can afford to make a contribution to their course, that that can be forthcoming. We want to maintain that provision, but, obviously, without the grant funding from the Welsh Government, that's doubtful. There will be a big drop off in the offer.

[32] **Rhun ap Iorwerth:** Finally, briefly, from me, what about courses funded through skills priority funding? Are there any that you can think of, or particular fields that over-50s are benefiting from or will benefit from?

[33] **Dr Walker:** I've noticed that the Welsh Government have put in quite a helpful late paper to the committee yesterday that actually spells out, I think, six or seven key areas where they are focusing European social fund funding and some of their specific pump-priming funds. I think that sets out quite well those opportunities that already exist in terms of ReAct and so on, and, potentially, six or seven different programmes that would be available for people over 50. It's worth noting that there is mention of work-based learning. There are other Welsh Government-funded programmes that are available for the over-50s; although we are the predominant providers of learning for over-50s and in a part-time sense, there are other routes for retraining and re-skilling as well. We do have another five years left of ESF, potentially, and you would expect the colleges to be still working with the Wales Council for Voluntary Action and local authorities for new ESF projects coming on-stream, hopefully this year or next year, that will also have a relevant impact on the over-50s.

[34] **William Graham:** Thank you. Mick.

[35] **Mick Antoniw:** I want to ask a few questions on barriers. You've dealt with part of it, and you referred obviously to some of the potential health issues and so on that may relate there. What about some of the more social issues and so on that may prevent over-50s from engaging and also perhaps complications of the benefits system? Do you find that in any way is an obstacle or creates restrictions?

[36] **Ms Dawson:** Certainly, health issues are often quite major, but also caring responsibilities. I think that there's been—. There's often confusion around issues relating to benefits, and I think that one of the concerns, probably, that we have is that there seems to be less obvious access to advice and guidance and signposting for older people and for over-50s, because the careers service, as you know, is being focused on, again, younger people. I think that, if somebody is going to have to contribute towards their learning, which increasingly is what over-50s are going to need to do, they need to know—and we need to know, if we have a restricted budget—that it's the right programmes, and the right courses, that they're going on. I think one of our challenges is: how do you provide that relevant tailored support for somebody, either in the course or in the lead up to the course? So, I think that's one of the issues that we're finding. I think that, again, some of the things are perhaps related to people's previous experience in education. So, you've got people who perhaps had dyslexia or other

issues that weren't recognised back in their school day or where they were made to feel ashamed because they weren't able to learn as quickly as others. And it's about getting past some of that confidence or those issues as well—identifying them first of all and getting past some of those. That's what we found. So, some of the additional support that you can offer by gaining ESF funding or lottery funding or something has been really important, because you have that extra support structure. And I think it will be a challenge for us to find the additional worker time or training people's time for that.

[37] I think that some of the issues are around accessibility, around transport provision, as you would expect. Sometimes, it's actually things like acoustics in the room, we found, because people are losing their hearing or whatever. So, that, again, is about listening to people and recognising what a comfortable space is for them to learn in because sometimes it's quite a big leap.

[38] **Mick Antoni**: Is it fair to say that we're not really that aware, certainly within institutions, of some of those additional problems?

[39] **Ms Dawson**: I think colleges are becoming more aware. We have learner focus groups, learner satisfaction—. The Welsh Government asks us quite a lot about learner satisfaction surveys and the learner voice is now becoming key. I think part of the WEA's approach is that we don't have a campus. We operate solely in community venues or in workplaces. So, you aim then to have a place where people feel that it's not an institution, which is perhaps helpful for some over-50s.

[40] **William Graham**: Eluned.

[41] **Eluned Parrott**: Thank you. I just wanted to follow on from that—[*Inaudible.*] There are potentially two groups we're talking about here: some individuals who have relatively low skill levels who are over 50 that have not been addressed, and then there are those who need to retrain for a different nature of skilled work for the future. Looking at that first group, one of the things that occurs to me is that there may be many individuals in that group who, actually, throughout their school career, were struggling with an undiagnosed problem like dyslexia, for example, which meant that learning was always going to be a challenge for them. I wonder what strategies and policies the FE sector has in place to assist with that. Is there, you know, a programme that helps identify those individuals and finds them the learning support that they need and the strategies that they need to succeed?

10:00

[42] **Dr Walker**: One of the good things about FE colleges is that they have student services departments that have specialists in assisted learning needs already in place for the whole population of the college, if you like, not only for the older learner, but also for the younger learners as well. So, the infrastructure is in place there, which is partly funded by the Welsh Government. There's some additional funding that is given by the Welsh Government to cover some of the costs of ALN support. So, that ALN specialist input would be available to learners of all ages as well, and you're right to diagnose, if you like, the issues that people leaving the workplace might have with some issues that they may not have had to face up to until they were retraining in their 50s or 60s. So, we've got the infrastructure in place for the whole age range and age group and there is a lot of guidance and specialist support available.

[43] **Eluned Parrott**: Thank you. I want to ask some questions about how the strategies and policies that are affecting the colleges work together. When you are looking at older learners, we have two sets of policies, really, that we're looking at, one of which is those strategies that are designed to take account of the needs of older people and then those strategies that are to do more generally with skills and training and learning policy. I wonder

if you can, firstly looking at that second group, say whether the skills policies that the Welsh Government have put forward you think include sufficient emphasis on upskilling people and reskilling people who are over 50 at present.

[44] **Dr Walker:** Well a lot about the second group will be dealt with partly through the work-based learning funding that the Welsh Government puts forward and there's still flexibility with higher apprenticeships for moneys to go to those over 25. There are more restrictions coming in for those over 25 for level 2 and 3 apprenticeships coming in, but for those level 4 and 5 higher apprenticeships, there's still that flexibility in place. The other focus for skills, I think, would be the part-time grant-driven provision that we provide for older people that I've described, which focuses on literacy skills, craft skills and some tourism and hospitality skills, and that still would be available for a period probably of 12 to 24 months, after which, as I mentioned a few minutes ago, we'd have to think about ways in which we could work with the DWP or with the LEAs or with the learners themselves to cover some of the costs of that.

[45] **Eluned Parrott:** Do you believe that there are any specific sectors that are disproportionately affected by a lack of availability of level 2 and 3 apprenticeships for older workers?

[46] **Dr Walker:** The care industry obviously puts itself forward as needing a huge influx of workers in the coming 20-year period. That something that is well noted, I think, by Assembly Members. There are other trades and industries where there are still skills shortages. Unfortunately, there are still skills shortages across many trade areas. I don't think there's necessarily an area that marries particularly with the over-50s. I can take away and maybe get some advice on that from colleagues. But I think there are more generic issues there with skills shortages for employers.

[47] **Eluned Parrott:** Okay. I want to talk about the co-investment in skills framework, which, Maggi, you mentioned a little bit earlier, and you were nervous, it seemed to me, about what the impact of that will actually be. Do you feel that you've got the information—I mean, it's due to start in April—. Do you think that you've got the information you need at the moment to be getting geared up for that change?

[48] **Ms Dawson:** I think I've got the information that is coming from Welsh Government. Whether I've got sufficient information as to how employers are going to react and how we encourage them, I'm not certain. But probably that isn't—that hasn't been my key focus, to be fair. But I think that we would be certainly looking at going to employers and saying, 'Well, this is what we can give you just now. You will get added value if—'. And we will do that and continue to do that. I mean, some of the employers we work with are very small, or may be third sector, or whatever. We do work with Essential Skills in the Workplace—we've been involved with the programmes quite a lot. I think we'll be looking forward to Essential Skills in the Workplace 2 coming out if it gets funded by the Welsh European Funding Office. That will be a key bid for us, going forward.

[49] **Eluned Parrott:** Have the colleges been involved in those conversations with employers?

[50] **Dr Walker:** Yes. And officials have been, from the very beginning of the process on the skills implementation plan, talking to us and the National Training Federation for Wales about how the co-investment policy can work effectively. There will be, however, transitional issues—there's no doubt about it—in April. After April, there will need to be a culture shift for many employers to paying a contribution to the training of their employees and there will be some who will probably not immediately take up that opportunity, and that may well lead to some drop off in take-up rates. That would be obviously regrettable at a time when we need

to be growing our skills base to meet the skills shortages that the UK Commission for Employment and Skills continually remind us that we've got. But, you know, at the same time, most people agree that employers do need to be paying a higher share of their skills training costs, given the austerity conditions that the Government is being subject to here. We just hope that it only takes a very short period of time for people to adjust their approach to this and employers to adjust their approach to this and that it doesn't have a big effect on the numbers taking up apprenticeship frameworks.

[51] **Eluned Parrott:** How are colleges planning for the—? Clearly, there's a huge risk in such a large change in the way that courses are going to be funded. How are the colleges planning for delivering courses that may or may not be financially viable?

[52] **Dr Walker:** They're working with the employers. They are talking. We've got very close relationships with the employers who we work with on apprenticeships and there is now some awareness of this change that's coming in. But, equally, businesses, quite rightly, want a return for their investment in terms of profits and dividends and they want to get the maximum out of whatever funding sources are available, in some instances. So, it's something that nobody is celebrating, but, at the same time, we hope that the transitional period that I referred to will be short. I think there is some experience from across the border in England that there can be a big drop-off in uptake. We would hope that that wouldn't happen in Wales, but we will soon find out.

[53] **Eluned Parrott:** Just finally, I want to talk about policies that are designed to take account of the needs of older people, specifically. The Government has a 10-year strategy for older people in Wales. One of the outcomes of that strategy is that, by 2023, older people who want to work can access help with reskilling and retraining. The Commissioner for Older People in Wales is concerned about what is being done and she says that 'much more needs to be done' to achieve this outcome. What do you think needs to be done to make that happen and by whom?

[54] **Dr Walker:** Well, I note that the commissioner has begun a programme of work, Ageing Well in Wales, which was launched four months ago and I think that's a collaborative multi-agency approach, which, I think, has got the right approach to trying to address some of these issues. I hope and expect there to be an older person's skills strategy or approach that will flow from that work. We would want to be involved, probably more intimately, in that work than has happened hitherto. It's only a very new programme and a new plan of work that's coming on stream. At the moment, local authorities tend to play a big role, but, obviously, colleges being now almost regional entities in some respects, they don't always directly overlap with the boundaries of local authorities, so we'd want to play an increasing role in that strand of work that's being led by the older persons' commissioner, and we'd welcome further direct discussions with them on that.

[55] **Eluned Parrott:** Do you think the policies for older people and the policies on skills are complementary to one another, or do you feel that they are isolated strategies operating in different directions?

[56] **Ms Dawson:** I think they've a way to go to be complementing each other. I believe there's an older persons' skills strategy that will be coming forward from the commission. I think that we would welcome further discussions with the commission and I think that I would echo what Greg is saying. I think that just going through older people's co-ordinators at a local level isn't always necessarily the strategic approach that's the best one, and that some national organisations, or CollegesWales, would welcome having a greater say, really, in that.

[57] **Eluned Parrott:** Okay. Thank you very much.

[58] **Dr Walker:** So that's an action point for us as well: we can go away and talk to them.

[59] **William Graham:** Joyce.

[60] **Joyce Watson:** We've started a conversation about what employers need to do to upskill their workforce. Do you have any examples where further education colleges are working with employers particularly to upskill the over-50 age group?

[61] **Dr Walker:** That will be done partly through some of the programmes that we've mentioned this morning in terms of the work-based learning programmes, and some of the programmes that we do that are partly funded through the Welsh Government, and so on. We can provide some case studies or examples that might be quite helpful for the committee, to make more concrete the work that we do in terms of upskilling for this particular age group. I think employers will have to step up to the plate. It's got to be not only publicly funded work with colleges and work-based learning providers; it's got to be something that they commit to themselves, for the benefit of their workforce, as a social matter as well as just something that will benefit their bottom line. Over a number of years, people have tried to encourage employers through skills pledges and other forms of persuasion to take this more seriously. I think there has been some progress made, and I think there are attitudes now among employers that are more focused on reskilling their workforce, and I hope to see that continue as the economic recovery sets in, to be honest, as there may be more money available for reskilling, and we would hope that that is reflected in—

[62] **Joyce Watson:** I hate to do this, but I'm going to. You said about a social element, and I wasn't clear what you meant by that, to employers skilling the over-50s. So, if you could, explain what exactly you meant by that.

[63] **Dr Walker:** Just really that upskilling the workforce, not only for the various job-specific skills that an employer will require for the day-to-day job, but also for literacy or numeracy or the digital skills that we've mentioned, so a wider skilling programme, will help lift the tide mark of skills, if you like, in Wales up. It's something that may not have an immediate short-term return to the business in terms of its bottom line, but, over time, if all firms, or a wide variety of firms, were to do that, we'd all benefit in society and in the economy from a higher level of skills. I think a long-term focus from companies would help enable that, and many of them do do that, to be fair, but that's what I meant by a sort of social element to it.

[64] **Ms Dawson:** One of the things that we're doing is actually working with employers to look at volunteering opportunities for people who are over 50, and that is again skilling in different ways within the workplace, but also, we hope, fitting people that, if they were to retire, with a give-something-back mentality. So, we're working currently with Scottish Widows and LloydsTSB because they're in their two-hundredth year, and part of the thing across the UK with the WEA is that Lloyds and Scottish Widows volunteers are supporting some of our employability courses for younger people, but also for older people, and then talking to them about being in work, or writing CVs, or interview skills and things. I think that we probably underestimate the power of volunteering as a new skill, or as adding to the skills that you have. With a small amount of money, we need to have many learning champions within the workplace and outside, so that's part of the union learning rep thing—we have community learning reps as well whom we encourage in the community.

[65] **Joyce Watson:** Can I ask one final question? There's been an announcement very recently about young people having to work for their benefits. Do you think that that's going to have an impact—having to work for your benefits—in the way that we might be able to maintain or retain some of the older people within the workforce? Let's be honest, if you're

an employer and you can get someone working for £54 a week, I think it is, why would you invest more than that, perhaps, to keep an older workforce in work? Have you started thinking about that?

10:15

[66] **Dr Walker:** That may be an issue. We would hope that wouldn't be an unintended consequence of that policy, but I think it needs very careful thought because, as you say, there may be decision making taking place that is not going to benefit the older workforce over 50. So, I would urge very great caution on that front.

[67] **Ms Dawson:** I really hope that employers would think hard about that, because you've got already cases, haven't you, of institutional amnesia, where you just don't have the experience within workplaces because people have either been let go or retired early, and mistakes are being made again and again because you don't have the experience there based on that older workforce?

[68] **William Graham:** A last short question—and answer—from Jeff.

[69] **Jeff Cuthbert:** It will be short. We know that the big anchor companies like Airbus and GE Aviation have well-structured training programmes, but as you mentioned earlier, what characterises the Welsh economy is the number of SMEs, particularly very small, non-unionised workplaces. What sort of partnership do you have with the Federation of Small Businesses and the Confederation of British Industry to help identify skill needs in that environment?

[70] **Dr Walker:** Well, we meet and work with those two organisations to try and make sure that we can diagnose some of the labour market intelligence that are coming through. We'll be helped by regional-level LMI that hopefully will be coming through and published in the next two or three months, we understand, from Welsh Government. In Wales, part of the problem has been that the LMI that's been available hitherto in Wales has been at an all-Wales, national level, which obviously isn't as helpful as it could be for Pembrokeshire College, or whatever college is trying to design their offer around the skills and needs of the local economy. But we're very encouraged that that regional-level LMI is now going to become available, and that will help then fuel the discussions that we have with business organisations to try and make sure that our offer is tailored to what they need.

[71] **William Graham:** Thank you very much for your attendance and for the evidence that you've given. The transcript will be published shortly for you to check. Thank you very much for coming today.

10:18

**Cyfleoedd Cyflogaeth i Bobl Dros 50 Oed—Ffederasiwn Hyfforddiant
Cenedlaethol Cymru
Employment Opportunities for People over 50—National Training Federation
for Wales**

[72] **William Graham:** Good morning. We welcome Jeff Protheroe again to our committee. Jeff, could I ask you to give your name and title for the record, please?

[73] **Mr Protheroe:** Yes, my name is Jeff Protheroe. I'm the operations manager for the National Training Federation for Wales.

[74] **William Graham:** Thank you very much. If we may, we'll go straight into questions, and the first question is from Rhun.

[75] **Rhun ap Iorwerth:** A very good morning to you. There's been a dramatic decrease in the number of over-50s in FE or the work-based learning community, learning schemes and so on, over the past decade or so. There were 63,000 in 2006-07, down to under 40,000 last year. Have you got a guess as to why that's happening?

[76] **Mr Protheroe:** My immediate thought—and that has been borne out with work-based learning as well, that there's been a reduction in older apprentices as well—and the main thing I would suggest is that it's primarily the focus of the Welsh Government in terms of trying to deal with the 16 to 24-year-old market, and the very right focus on youth unemployment and trying to tackle that. It's just unfortunate that the older age workforce will be affected as a result of that focus.

[77] **Rhun ap Iorwerth:** There are fewer opportunities being laid out in front of the over-50s because of the focus being put on the younger—

[78] **Mr Protheroe:** Yes, certainly fewer opportunities. If you look, for example, at the success of Jobs Growth Wales and programmes such as that, they've been focused on the 16 to 24-year-olds. You could argue that, because there is that focus and because there is that offer, that will then have a detrimental effect on the older age workforce.

[79] **Rhun ap Iorwerth:** Is there any evidence that there's been a fall in demand from over-50s?

[80] **Mr Protheroe:** Not any evidence that I've seen.

[81] **Rhun ap Iorwerth:** I think 7% of the total of work-based learning participants are aged over 50. How does that sound to you? It's a very low number.

[82] **Mr Protheroe:** Well, when I was looking at, obviously, preparing our paper for this evidence session and looking at some of the detail that is out there, it was quite interesting to note that 25% of the workforce in Wales is aged 50 and over. However, only 7% are accessing work-based learning. So, there's a bit of a mismatch there in terms of our ability, I guess, to get to people who are in the 50 and over market to continue to train and upskill them as well. So, there is a bit of a mismatch between the numbers.

[83] **Rhun ap Iorwerth:** So, the numbers are startling, but we can't really jump to conclusions about what exactly is going on there.

[84] **Mr Protheroe:** Yes, I wouldn't certainly jump to conclusions, but primarily within the work-based learning sector, there has been a focus and there will be a continuing focus towards 16 to 24-year-olds.

[85] **Rhun ap Iorwerth:** Of the 7% that do go in for work-based learning, what areas in particular do they focus on? Are there any particular areas that over-50s are attracted to?

[86] **Mr Protheroe:** There's a whole range of information, particularly from Welsh Government in terms of StatsWales, work-based learning and FE statistics, and it's very hard to drill down to see where the older age group is predominantly working. In our report, I think we've drawn conclusions that because of the make-up of those individuals who are following an apprenticeship and the numbers in level 2 and level 3 are predominantly female, we can draw a conclusion that it is probably people within the health and social care sector. We've got a whole range of anecdotal evidence from providers and other stakeholders to indicate

that that older age workforce is working in that sector, but I'm sure they'll be across other sectors as well.

[87] **Rhun ap Iorwerth:** On the fact that you mentioned that the majority are women, have there been attempts made to encourage more men?

[88] **Mr Protheroe:** In the older age group?

[89] **Rhun ap Iorwerth:** Yes.

[90] **Mr Protheroe:** I don't think there's been any proactive attempts to encourage older aged men particularly into apprenticeships or work-based learning.

[91] **Rhun ap Iorwerth:** It's something that you'd like to see, though?

[92] **Mr Protheroe:** It would obviously be good to have equity and equality across the whole of the work-based learning sector, not just in apprenticeships but in a whole range of other programmes. But the conclusion that we've drawn in terms of that element of the workforce working within health and social care is not evidence-based; it's just looking at the fact that 70% of people following an apprenticeship over 50 are female, and they're following level 2. Twenty one per cent of apprenticeships delivered in 2012-13 were in the health and social care sector, so I'm sure we could work through and actually find the detail on that.

[93] **Rhun ap Iorwerth:** It's great when people have decided to follow that route into work-based learning. For those who don't, what do you think are the main barriers? What stops people who could be joining schemes from doing so?

[94] **Mr Protheroe:** One of the things, in drawing together the submission today, was about, I guess, the complex system that we have within Wales, about there being barriers to people in an older age, I guess, accessing the opportunities that are available to them. Obviously, when they're in work-based learning or they're in the world of work, then we've got to try and deal with some of the other barriers that they may have in terms of essential skills and confidence-building. But we feel that, in terms of trying to access work-based learning, there are some barriers in terms of that point of entry into work-based learning.

[95] **Rhun ap Iorwerth:** Social barriers? Benefits barriers?

[96] **Mr Protheroe:** Similarly, and again in terms of reading through and preparing for this submission, really, I guess there's suggestions that people of this age group, 50 and over, may have caring commitments, be it to older parents or grandchildren et cetera. So, in terms of social barriers, there may be some of those. Also as well, I guess it's about outweighing the benefits of benefits versus life in work. So, those could be some social barriers. But I think one of the things that we can particularly address—and I suppose it's the purpose of this inquiry—is what barriers we are putting up ourselves that stop people accessing various forms of learning and retraining.

[97] **Rhun ap Iorwerth:** Okay, do you want to expand a little bit on that?

[98] **Mr Protheroe:** Well, some of the things that we've suggested and called for within our submission as well is that there is an increased use of the recently launched individual skills gateway as a way for people who may find going into Jobcentre Plus a bit difficult, or there may be stigmas attached with that. But also as well there is a whole range of people who are not claiming jobseeker's allowance and not having the access to Jobcentre Plus and the support that they offer, and the individual skills gateway may be an opportunity to draw the people who are economically inactive back into the world of work and learning. So, the skills

gateway is a new thing, but we really need to inform people that it is there, and it's for all ages.

[99] **William Graham:** Joyce.

[100] **Joyce Watson:** I've just one further question. You said that 70% of learners are going into level 2, if I heard you right, or 70% of the learners at level 2 were female—

[101] **Mr Protheroe:** Seventy per cent of apprentices aged 50 and over are female.

[102] **Joyce Watson:** What about the higher level apprentices? Have you got a breakdown?

[103] **Mr Protheroe:** Yes. Of the higher apprenticeships that were delivered in 2012-13, and bearing in mind that higher apprenticeships are being developed on an ongoing basis, of the total number of individuals going through an apprenticeship programme in 2012-13, which is around about 3,500 individuals of 50 and over, 325 were following a higher apprenticeship. So, it's just less than 10% of that age group following a higher apprenticeship.

[104] **Joyce Watson:** Okay. And have you got a gender split on that as well?

[105] **Mr Protheroe:** Not on that, no.

[106] **Joyce Watson:** Okay. Maybe if you're able—

[107] **Mr Protheroe:** Yes, you know, it's certainly not available within the public domain, but I'm sure Welsh Government officials could drill down to that detail.

[108] **Joyce Watson:** Thank you. Anyway, moving on, I want to try to draw out some questions to scrutinise what the training and skills needs are for those. The older people's commissioner does say, and I'm quoting, that,

[109] 'People in their fifties are more than twice as likely to have no qualifications'.

[110] So, that being the case, taking it as read, what do you think needs to be done to address that?

[111] **Mr Protheroe:** Well, to address the fact that they have no qualifications, what we need are learning programmes that are able to engage the older workforce into learning, be it in work-based learning or other forms of learning, with a view then to delivering and upskilling those individuals, not just in so much as giving qualifications to those with no qualifications, but for those who have existing qualifications, to bring them and ensure that they're relevant qualifications as well. But, ultimately, it's about having the programmes that are able to engage and then deliver the qualifications needed.

[112] **Joyce Watson:** In terms of existing qualifications, what are you finding are the needs of that age group? What are the gaps in skills?

[113] **Mr Protheroe:** Well, the main ones that spring to mind at the moment are the ones that surround essential skills, so that could be literacy and/or numeracy. But, increasingly, we're seeing the need for digital literacy across all elements of the workforce. Again, the Donaldson review was launched today and digital literacy forms part of that as well. But, certainly, in the feedback that we've had from Members in putting the submission together, it was—. I think once we've dealt with the engagement, and once we've dealt with the confidence issues, it's then about giving them the basic skills that are needed to operate in the world of work, and then the opportunity to deliver the occupational-specific qualifications

needed for those individuals to either maintain their employment or progress within it.

[114] **Joyce Watson:** How much investment do you think we really need to make in IT skills? If we move just five or 10 years on, we're talking about a completely different cohort and they would have come through, surely, with IT skills.

[115] **Mr Protheroe:** Yes, and I think the world of IT skills has moved on in the last 10 years. I think that where the current qualifications that we have are very much focused on certain applications, and that's it, the world of digital literacy is obviously exploding and there's a whole range of new skills that people need to learn, not just about how to use a specific application, but how to apply a whole variety of things, be it presentations, be it data sharing or using a cloud. There are all these sorts of things that are now embedded within the new digital literacy curriculum and we will have a new suite of qualifications in Wales that will then allow us to upskill the whole workforce.

[116] **Joyce Watson:** And, finally from me, there's talk about having one coherent skills offer for any individual. What would that look like in practical terms?

[117] **Mr Protheroe:** I think the ideal scenario would be that any individual of any age could enter the skills gateway or a point of referral such as Jobcentre Plus. Then, from that point of view, the advisers, be it the work coaches in Jobcentre Plus or the careers advisers within the skills gateway, could do an impartial information, advice and guidance session with that individual on a face-to-face basis, and then they should have the knowledge to be able to signpost that individual on to the suitable provision that is available.

10:30

[118] So, I guess it's this thing about hiding the wiring, isn't it? There's lots of complex things that need to be considered, but for that individual, who may have some of these confidence issues, maybe caused by the fact that they have a lack of basic skills, they have a simple point of contact and then they can progress through the system. Because, I think we've got the programmes in place to progress people through and on to higher apprenticeships, and other forms of higher learning, but it's about that engagement stage to make sure that there are no barriers.

[119] **Joyce Watson:** Okay.

[120] **William Graham:** Byron.

[121] **Byron Davies:** Good morning. I think you might have touched on this in your previous answer, but it's worth asking, I think. It seems that older jobseekers are more than twice as likely to be long-term unemployed as younger jobseekers. So, you know, what's the answer to this? How effective is the Work Ready programme in helping people over 50 back into work?

[122] **Mr Protheroe:** Based on the statistics that are available, in 2012-13, 56% of leavers went into continued or new employment. So, there was a 56% success rate with that. Compare that to the Work Programme that maybe had 19%. So, it's a Welsh Government programme that is very successful. But, overall, in terms of all work-based learning programmes, 72% of learners who complete their programme, again, either stay in their existing employment or go on to new employment. So, in that respect, they are very successful at getting people into work and staying in work.

[123] **Byron Davies:** Okay. Do you have any other suggestions that could help people over 50 to get back into employment?

[124] **Mr Protheroe:** I guess the main thing is that it's about making sure that those opportunities are available to more people. It's interesting that, I think, based on the latest unemployment figures, there's around 16,000 to 18,000 individuals who are 50 and over—50 to 64—who are unemployed: 9,000 of those are actually claiming jobseeker's allowance, but we've only touched 3,000 people on the Work Ready programme. So, again, it comes back to this mismatch: we've got programmes that work and we can offer the opportunities, but it's about allowing us to offer more of those opportunities to more people.

[125] **Byron Davies:** Do you think there's any duplication with DWP programmes?

[126] **Mr Protheroe:** Yes. You know, when you've got programmes being developed centrally from the UK Government and you've got Welsh Government developing our own, very successful programmes, there are elements of duplication. I think this comes back to the point—and maybe I should have said this in response to Joyce—about this simple skills offer, where you just have to look at something called the ESF delivery footprint. You have to look at that and you see the whole range of programmes that are available and, even to a professional within this sector, it's hard to get a handle on everything that is available, but you wouldn't expect the people who need to access it to understand a whole range. That's where you have that impartial advice and guidance and that sort of signposting. But there are elements of duplication—and I think we've mentioned this before with this committee—particularly with the Work Programme and Jobs Growth Wales and/or other ESF-funded programmes. Now I know that there is work going on between the UK Government and Welsh Government to try to work that out, but I think the bottom line is that what we have in Wales are some very successful work-based learning programmes that get people better outcomes, and it's just a case that we have these artificial barriers that stop people progressing from one programme to another.

[127] So, there are elements of duplication and I know there are attempts to eradicate that duplication. I know certainly, as a sector, we've been calling for that. There are occasions when you have governments competing against each other, you have regions competing against each other and, in some cases, you have institutions competing internally against each other. That's no good for anyone really. So, it comes back to this coherent single skills offer, where there's a single point of entry and there are people there who are able to deal with those individuals on a face-to-face basis to say, 'Look, this is the best place for you to progress to'.

[128] **Byron Davies:** Okay. Thank you.

[129] **William Graham:** Jeff and then Joyce.

[130] **Jeff Cuthbert:** Does the NTF engage with the ReAct programme?

[131] **Mr Protheroe:** NTFW as an organisation, no—

[132] **Jeff Cuthbert:** I mean your members. Sorry.

[133] **Mr Protheroe:** Members, yes. The vast majority of our members will deliver ReAct, but it's not within the remit of NTFW. But our members do, yes.

[134] **Jeff Cuthbert:** They do. Thank you.

[135] **Joyce Watson:** Mine is very simple. You quoted age 64, but of course you can't retire now until 67, so that's a whole three years' worth of people, and the figures will be completely different. Are you going to start measuring at the new age group—the new retirement age group—which will change the figures completely?

[136] **Mr Protheroe:** We wouldn't measure them as an organisation; that's just the information that's available. But you're absolutely right: a lot of people are retiring now at 67. But I guess that, with all statisticians, they have to have the parameters to work in, and if that working age is 50 to 64, then that's what they'll measure. That figure of 16,000 to 18,000 is probably going to go up, then, if you add another three years.

[137] **Joyce Watson:** Absolutely.

[138] **William Graham:** Mick Antoniwi.

[139] **Mick Antoniwi:** You've said a little bit about decreases in budgeting and so on. What I'd like to take a little bit further is, of course, the impact of the Welsh Government's new policy on co-investment in skills, starting in April 2015, on work-based learning for people over 50. What's your assessment of that and the potential benefits from it, or how it might work?

[140] **Mr Protheroe:** I suppose the main thing to bear in mind is that the co-investment in skills is for every programme, 19 and over, so it's not just work-based learning; it's everything, really. We're at the very early stages of understanding the co-investment framework and how it will, sort of, operate, and how it will work in reality. I think the NTFW's initial feeling is that it is a seismic shift in terms of how we've delivered the skills agenda within Wales over the last 10 to 15 years. We recognise, and we understand, the principles behind the skills implementation plan, and particularly the co-investment framework within it, in so much that there is more onus needed to be put on employers to invest into the whole skills system, because there is evidence—you know, in an international context—that where the employers generally put in, the whole productivity and economic picture develops further. So, we understand the principles, but the reality of saying to an employer, maybe a care home in mid Wales or somewhere, 'Where you have had your training for your workforce delivered and funded wholly previously, you now have to invest', that is something that really needs to be worked through. I think the policy intent is great, but I think the impact is going to be quite significant.

[141] **Mick Antoniwi:** Are you suggesting that there's perhaps a significant degree of resistance to the change?

[142] **Mr Protheroe:** Yes.

[143] **Mick Antoniwi:** Can you perhaps elaborate about the scale and extent of that, because it's quite important to the success of the—

[144] **Mr Protheroe:** Absolutely. You know, I can't give any firm details in terms of the extent of that, but I think certainly what the NTFW would welcome is maybe some form of inquiry, or something, into the co-investment, because it is a seismic shift in terms of how we have delivered skills training in Wales previously. We recognise the economic context as well. So, we understand the co-investment framework as a sector; the challenge is to ensure that the employers understand it, and the employers, then, and also the individuals, contribute to that as well.

[145] **Mick Antoniwi:** Do you think we're ready for the change?

[146] **Mr Protheroe:** Certainly, within the work-based learning context, we've got, probably, up until 2017 until it really takes effect in its entirety. So, we've got a little bit of lead-in time, and I know providers have been working with employers and have been discussing the issues of co-investment. Some employers will probably do it, but I think it's

fair to say, for the vast majority of employers, there will be a great deal of resistance. One of the things that I think we all have to do—and it's something that NTFW feels a bit of a responsibility for as well—is demonstrating the return on investment to employers, and getting employers to understand that investing in skills is exactly the same as investing in a piece of machinery. That's, I think, where employers will begin to understand it. Within the co-investment framework, there is an onus on Welsh Government and others to do that: to demonstrate, to create demand and to ensure that they influence employers to contribute, but, as we've just heard, as Maggi was leaving there, with a whole range of SMEs in Wales, policy intent, as we know, doesn't always make it into practice.

[147] **William Graham:** Keith.

[148] **Keith Davies:** But this one, the co-investment, as far as I've read these things, is an all-age thing, though, isn't it? It's not over 50.

[149] **Mr Protheroe:** No, it's an 18 and over.

[150] **Keith Davies:** Employers could put anybody onto—.

[151] **Mr Protheroe:** Absolutely. Yes. And, again, it's one of those things that, if an employer is looking to contribute, say, for example, £3,000 to put someone through an apprenticeship, and they may well look at their workforce and look at their future need, the case could be that they may invest in a younger model so they get the fuller return on investment. That's not evidence based, but you can imagine that sort of situation happening. So, in terms of that, the co-investment model, and, again, understanding the principles and what we're trying to achieve, as a one Wales, it may have an adverse effect on those 50 and over, because, if we are demonstrating a return on investment, I'm sure you know you need to get that return over a longer period of time. So, if we are saying to employers that's how they need to treat it, maybe that's what they'll do.

[152] **Keith Davies:** Thank you.

[153] **William Graham:** Thank you. Eluned.

[154] **Eluned Parrott:** If you are looking at someone who is 50 years old, then they have 17 years' worth of working career left. Seventeen years is a considerable period of time for somebody to stay with a single employer in the modern work market. We need, perhaps, to be more proactive in making that case. But I want to ask about European funding and how that's been used previously. We've heard evidence from people that the programmes that they've been involved in have been relatively short term and that they've been helped into work on a project basis; ESF projects tend to be, obviously, time limited, and, again, that the training programmes are time limited and short term; and that there isn't sufficient long-term planning for older people who are reskilling for what may be still a quite lengthy career.

[155] **Mr Protheroe:** It's also as well, I think, worth noting that, although that person may have 17 years left in the business, they also bring with them a whole range of experience, as well, as opposed to, maybe, a younger person who takes longer to upskill, I guess. But, certainly, in the work-based learning context and in terms of European funding and the success of European funding, we'll fall back to the success of the apprenticeship programme in Wales. We have a very successful current—and we will continue to have—all-age apprenticeship programme. Apprenticeships are able to be delivered to people of all ages, so long they're in the particular role that they are doing. So, I think, in terms of that long-term strategy, I think we're pretty well committed to the apprenticeship programme moving forward. As I say, we will have an all-age apprenticeship programme, but the question will be who pays for it—be it the employer or Welsh Government et cetera. I think, where we have

had some successes in terms of project activity and pilot activity is to identify those programmes that are able to engage people into the world of work-based learning in order that we can get them onto an apprenticeship programme and continue to progress them whilst they're in the world of work. Because, we can, for example, engage somebody through the Work Ready programme. We can get them into the world of work. They can then follow the apprenticeship programme all the way through, so long as the job role allows it to, and on to higher apprenticeships and higher education. There's that opportunity. A lot of work has been done recently to look at piloting and projecting activity for that adult employed programme. I know that the Welsh Government is now looking at a programme that will be launched from 1 September—skills for work Wales, which is a new programme. Again, there's piloting activity going on at the moment.

[156] **Eluned Parrott:** We've talked about the complexity of the offer that's available and the difficulties, particularly with European-funded projects, over duplication and people not being able to cross those boundaries and barriers. Do you think that there has been sufficient stability and sufficient see-through for the programmes that have been delivered with European funding? Obviously, if you're chopping and changing and you're introducing new programmes, you're taking old programmes away, constantly. If even the likes of yourselves are finding this a complex and churning environment, are we providing the stability in the system that we need to ensure that people have stable long-term outcomes that they can build a career around?

10:45

[157] **Mr Protheroe:** 'No', I think, is the easy answer to that. I will use an example, and it's a programme that's within some other people's responses as well. There is a very successful programme, which is ESF funded, which was a short-term programme, which was aimed at developing essential skills, which identified people in the workplace you need to develop and maintain: Essential Skills in the Workplace. It was very successful, it got a whole range of people upskilled in the workplace, and, I guess, due to the issues of European funding, you know, we've had a break within ESIW—Essential Skills in the Workplace—and the successor programme; we've had a break of some six months. Now, I understand the complexities of securing ESF funding et cetera, but that is just an example where people who—. You know, we've built up an expectation that the programme is there and it will offer people the opportunity to upskill. We've got momentum. However, because of ESF funding, we've lost that momentum. We're now saying to employers, 'Well, we can't start your staff yet, until further down the line', and also, there's a very real impact within this sector that some providers are now laying off people who are delivering the essential skills to the wider workforce. That, I guess, is as a result of the way that we are reliant on ESF funding to deliver skills programmes. Now, if we had a longer 10-year strategy or 20-year strategy, we could say, 'Right, these are the programmes that will engage, deal with the confidence, deal with the basic skills, then progress on to the occupational competence in a longer term strategy', then, yes, that would be very much welcomed, because with all of these funding pots, when funding goes, and commissioning et cetera, it all has a destabilising effect on the workforce that is ultimately delivering the skills to the wider workforce. So, they are good—ESF-funded programmes—obviously, as a way of sort of piloting activity et cetera and seeing what works, but we then need that longer term strategy.

[158] **Eluned Parrot:** We do need that longer term strategy don't we, because we've got one more round of European funding. The idea is that we will be weaning ourselves off the European funding. We won't need it again because, obviously, we're going to learn from the past to make sure that the future is different for Wales, that, obviously, our economy will be different. So, what do we have to learn from the previous rounds, to put in place a series of programmes that are going to change the fate of our economy, in terms of the skills offer?

[159] **Mr Protheroe:** We have the provider network working with partners, be it within Careers Wales, Jobcentre Plus or the Welsh Government. We have learnt a lot of things through these programmes and these piloting activities. I think that one of the main things that we've learnt over the last few years is that the focus needs to shift from outputs, i.e. certificates, to actual outcomes, i.e. getting people into long-term sustainable employment, and one of the things that we have developed over a period of time is a very strong, resilient work-based learning sector that does get 72% of the 50s and over into sustained or new employment. So, in terms of moving towards a position where we get programmes that are delivering outcomes, you know, I think that that is the main thing that we've learnt.

[160] **Eluned Parrot:** But, obviously, in terms of the change from outputs to outcomes, you know, the training providers, they measure the things that they're asked to measure—

[161] **Mr Protheroe:** Absolutely. Of course. Yes.

[162] **Eluned Parrot:** —and they deliver the things that they're asked to deliver. So, what is the change in actual delivery that's going to move us away from this tick-box culture of, 'Yes, I can prove that 97% of our participants have a certificate at the end' kind of mentality?

[163] **Mr Protheroe:** Well, the mentality is what is measured, isn't it? And we understand that, in any forms of sector, if you're asking to be measured on a certain thing, you know, people may well work to that certain thing, but, I think, if the focus is now on outcomes and sustainable—and it may be a year, two years or maybe five years in employment—it is about ensuring that that person has had the breadth of experience to ensure that they're then maintaining that sustained employment.

[164] **Eluned Parrot:** Okay.

[165] **Mr Protheroe:** But it is making sure that the performance measures are really driving what the intent of that programme is designed to do, so it's having it joined up really.

[166] **Eluned Parrot:** Okay, thank you.

[167] **William Graham:** Joyce.

[168] **Joyce Watson:** A very quick question. I know we're running out of time. You do say that we should consider making a recommendation to the Welsh Government about the 'continued devolution', I'm quoting,

[169] 'of DWP "skills" programmes to Wales'.

[170] Can you briefly tell us why?

[171] **Mr Protheroe:** It follows on, I guess, from what we were saying earlier, Joyce, in terms of having this simple skills offer. Now, I know there is a great deal of work going on with Welsh Government and UK officials to sort of make that position happen, and all we would ask the committee to do is to continue to ask the Welsh Government to continue to do that. You know, it makes sense that, if we do have particularly this skills element of the DWP provision devolved to Wales, we feel we've got a better skills system in Wales that delivers better outcomes for people. That is borne out by some of the statistics in terms of Jobs Growth Wales compared to the other Work Programme. We talked earlier about the sort of artificial barriers, whereas, if we have the funding to deliver that, we could do a whole lot more within the Welsh context. So, all we would ask the committee to do is to continue to ask that.

[172] **Joyce Watson:** Thank you.

[173] **William Graham:** Byron.

[174] **Byron Davies:** Thank you. Just moving on then, perhaps, from what you've just said, do you think the Welsh Government's 10-year strategy for older people in Wales lacks sufficient focus and detail?

[175] **Mr Protheroe:** I've obviously picked up on the elements within the older people's strategy that look at getting people into work and continued lifelong learning, upskilling and retraining et cetera. So, I think there very much is a policy intent outlined within that strategy, but, as I was saying earlier, where it says in the strategy that 25% of the workforce is 50 and over, but only 7% are accessing work-based learning, there is a bit of a mismatch. So, again, it comes back to this factor. It's in there as a policy intent, but what do we need to do to ensure that, similarly, 25% of people on work-based learning programmes are 50 and over. So, I think the strategy is sound and the foundations are good, but it's about making sure that we've got the system enabling people to actually access the learning opportunities that the strategy outlines people should have.

[176] **Byron Davies:** Thank you.

[177] **William Graham:** Jeff.

[178] **Jeff Cuthbert:** Thank you. We have other stakeholders. I think this is linked in very much to the point that Joyce made about coherence in the system, because, for the person seeking work or to improve their skills, they're not particularly concerned about who is responsible for offering the programme; they just want access to the programme. So, can you talk a little bit about how, perhaps, employers could be encouraged more to maybe put forward, especially if they're on their payroll, older workers of 50-plus for skills training? When you were here, you heard me ask about how you work with small employers that maybe don't have the training resources of the big employers. Likewise, there are other key partners, like Careers Wales, for example, and Jobcentre Plus, all of which have roles and relations in terms of this agenda, and indeed third sector organisations that may well want to work with people, even on the issue of volunteering.

[179] **Mr Protheroe:** I suppose the main thing, within the skills agenda and in that economic environment we operate in, is that there has been a focus on 16 to 24. I think certainly what this inquiry has done for me and the NTFW more widely is refocus attention on 50 and over. I guess what we need to do is ensure that that focus isn't lost as well on that whole range of partnerships and employer organisations. To answer the first stage of that question in terms of what more we can do to engage employers—because ultimately we could have the best work-based learning programmes in the world, but unless employers are taking people on, we're pretty much on the road to nowhere—the key thing, which maybe comes back to the response I gave to Mick really, is that what we need to demonstrate is the return on investment for employers for an older workforce, what an older person who's maybe got 17 years left in their tank, if you like, can offer that sort of business. There is a whole range of evidence in some of the reports and submissions I've read to this committee about the benefits of older workers as well in terms of retention, loyalty, previous experience et cetera. I think there are organisations such as B&Q and others that can demonstrate some of that value.

[180] **Jeff Cuthbert:** And the issue of partners like Careers Wales and Jobcentre Plus, how well is that gelling together? Is there good partnership?

[181] **Mr Protheroe:** Well, strangely enough, I chaired NTFW's work-focused learning group yesterday, which looks at adult employment programmes. Around that table, we had

partnership managers from Jobcentre Plus, we had colleagues from Welsh Government and we had Careers Wales as well. So, I think, in terms of working through the issues and trying to identify where these barriers are, there is good working. I suppose the main thing to bear in mind is that Jobcentre Plus, and the work coaches there, ultimately deal with people who are accessing jobseeker's allowance and that whole range of benefits, but there is a whole range of people who are not economically active, and I think there's a role for Careers Wales to pick those up as well and work with them, because those people who are economically inactive may not see Jobcentre Plus as the route towards skills.

[182] So, I think both have a role to play and, I think, certainly—and it's within our submission—there is an increased role for Careers Wales through the individual skills gateway to provide information, advice and guidance. But I think it is important with all of this—. You know, I understand there are budget reductions et cetera, but, certainly this age group—and a lot of the evidence suggests that they may be lacking confidence and they may be sort of lacking the basic skills to enter the world of work—will need that sort of one-to-one guidance, because they may not want to access services via the internet or via the telephone, while the younger generation does. So, I think it's important that we maintain that as well. And they are certainly working well together.

[183] **Jeff Cuthbert:** Fine. The very final point from me is: do your members engage with the Lift programme?

[184] **Mr Protheroe:** I'm aware of the Lift programme. I'm not aware if any of our providers are delivering that. I suppose the main thing, for the benefit of the committee, to bear in mind is that we're representing work-based learning providers, which include colleges, local authorities and the third sector, and focus on work-based learning programmes, but there's a whole range of our providers that will deliver on a whole range of programmes. But I'm not aware of any of our providers that are delivering on that.

[185] **Jeff Cuthbert:** Would you be able to ask your members if they are?

[186] **Mr Protheroe:** Yes, absolutely.

[187] **William Graham:** Keith.

[188] **Keith Davies:** Thanks, Chairman. In this session and previous sessions, it seems to me that there are some workplaces where the over-50s are welcome—I mean, take retail, for example. I remember going last year to a large retail shop in Llanelli where they provide their own training at lunchtime for members of staff. So, we'd say, 'Right, on retail, they're opening new stores, it doesn't matter what age they are, and, in fact, they see an added advantage of having over-50-year-olds selling stuff to customers.' Are there any other organisations that could really access more 50-year-olds, and what about training, then, if they are smaller organisations?

[189] **Mr Protheroe:** If I'm honest, I'm not aware of any sort of specific employers within Wales that are very proactive in recruiting individuals who are 50 and over. I obviously made reference earlier to B&Q, but that's, you know, knowledge, I guess, I have outside of this. So, I'm not aware of any specific indigenous businesses that are doing that, but also it's important to bear in mind that there are certain sectors that demand an older age workforce. We talked earlier about health and social care. You know, there are certain sectors that are really important sectors to Wales where the employers and that sector, for a variety of reasons, demand an older workforce. NTFW has commissioned a report to look into some of the detail around that as well. Anecdotally, the average age of an apprentice in health and social care is 37 years of age. Again, I can't back that up at this stage with any sort of firm evidence, but that indicates that certain sectors want an older workforce, for a variety of reasons.

[190] In terms of delivering training, particularly to SMEs, there are models, like shared apprenticeship programmes, where providers can deliver some training in a central location, or the training doesn't have to be all out in the workplace. So, there are ways within the programmes to bring individuals from small or medium businesses centrally together to do training. So, the programmes are flexible enough to do that. It's just making sure that the opportunity and the offer is there.

[191] **Keith Davies:** Thank you.

[192] **William Graham:** Thank you very much, Jeff; that was really worth while. We are most grateful for your evidence today. A transcript will be provided in due course.

[193] **Mr Protheroe:** And I'll get the information on Lift as well.

[194] **William Graham:** We are most grateful. Thanks for your help.

[195] We'll have a break now for 10 minutes.

*Gohiriwyd y cyfarfod rhwng 10:59 ac 11:10.
The meeting adjourned between 10:59 and 11:10.*

Cyfleoedd Cyflogaeth i Bobl Dros 50 Oed Employment Opportunities for People Over 50

[196] **William Graham:** Can I welcome the Deputy Minister and express the committee's thanks for her paper, and also the supplementary that came yesterday afternoon? I gather, Minister, that you would like to make some opening remarks.

[197] **The Deputy Minister for Skills and Technology (Julie James):** Yes please, Chair.

[198] **William Graham:** Thank you very much.

[199] **Julie James:** First of all I want to say thank you very much to Members for the opportunity to support this inquiry into employment opportunities for older people in Wales, and also to make an apology to you for the cragginess of my voice this morning, as I seem to have been affected by the standard lurgy, which I'd been so proud of escaping up until now. So, apologies for the croakiness.

[200] Clearly, my portfolio is very significant in terms of the policy levers we can provide to support individuals to access skills and training opportunities. I just want to make it clear that we are absolutely certain that older workers are a valuable part of our workforce in Wales, and their significance is not overlooked by us, although we will go on to discuss some of the difficulties in accessing some of that training, which we certainly recognise.

[201] So, our policy programmes—both our policy statement on skills and its implementation plan—I would like to emphasise, to start off with, are part of an all-age-group policy. They're not aimed at any particular set of people; they're an across-the-board policy for skills across the Welsh economy. Obviously, part of that skills policy is about increasing the skills base of the workforce, but it's also about not decreasing the skills base of the workforce. So, it's about allowing people to maintain the skills that they already have. But we've got a serious challenge, really, here in terms of the resources available to us to keep this programme running. One of the things that we've done—and you've all heard me saying this in various sessions in Plenary and, indeed, in this committee and so on—is that we're

looking to have a policy where the employers of the people who are looking to maintain and increase their skills also co-invest in increasing the skills base of the Welsh workforce.

[202] We've also got support for people seeking to access employment, and the supplementary paper, Chair—which I hope you all had—I thought would be helpful, because, earlier this week, I had a paper given to me which listed out all the programmes that are currently running under the European social fund categories, and the programmes that we're looking to continue in the next round, and, frankly, it was a whole page of just the titles of the programmes. So, I thought, 'Well, it's no wonder that people are struggling to get their heads around some of the ways that these programmes interlink', and so I hope you'll find it useful that we've set out the programmes and what they're aimed at in that short paper. I'm more than happy to go through it with you if you'd like me to, but I thought it was something that you could have a look at, really, at your leisure, because really it is quite a difficult set of interlinking programmes.

[203] I also wanted to let the committee know that we're doing a piece of work that is about producing a pictogram, if you like, which is a pathway that will show you where people fit into these sets of programmes. So, if you're unemployed, or an unemployed old person, or a part-time employed worker, and so on, we're hoping, with arrows, to show you at what point into the programme you actually fit. We're hoping that that will not only help us, as policy makers, but it will also help the people implementing the programmes and steering people towards the right sort of programme on the ground, particularly in areas like Communities First areas. So, that is a piece of ongoing work, but I thought the list of particular schemes would be helpful to the committee in its work.

[204] I also wanted to talk to you about the newly launched skills gateway, which I'm not sure you're aware of, but you can access it online, and some of you may be able to do that right away. It's a gateway that we're developing that has one aspect for individuals and one aspect for businesses, and it will be a one-stop shop online for people who are looking for employment or looking for employees. We're hoping that it will be a place where you can find out what you need to have by way of skills to access particular employment streams, and, indeed, for businesses to set out what they require in an individual. We've been asked many times for a simplified version of this, and the skills gateway is our answer to that. That links in with Careers Wales, which is also able to assist people through the gateway. If you do access it at the moment, you'll see that some parts of it are yet to be filled in, but we thought it was worth launching in the state that it's in at the moment, and then the other aspects of it we'll fill in as we get the data sorted out and ready to go online.

11:15

[205] So, at the moment, for example, if you look in some areas at the job vacancies available in that area, that isn't active, but I assure you that it will be active shortly, once we've got the labour market intelligence sorted out. So, it will be a one-stop shop, which we think will be very useful in helping especially older people, via the careers service, perhaps, to access this sort of funding.

[206] So, I suppose what I wanted to say to the committee this morning was to reiterate my support to all workers of all sorts to maintain and increase their skills base; to make the committee aware of the real need to keep in your minds the distinction between people who are in work accessing programmes and those people who are out of work accessing programmes, because that is a big distinction; and to emphasise again that, unless the programme says it's specifically age related—so, Jobs Growth Wales, for example, is specifically for unemployed youngsters under 24—then it's an all-age programme, not the other way around. I am often asked by Members, 'Well, where's the programme for older people?', and the answer is that it's all of the programmes unless it's restricted. So, it's the

other way up. I wanted to make you aware of that. We haven't emphasised it in that way because we haven't seen the need to do so.

[207] The other real message that we want to get across, really, is that we work right across all ministerial portfolios on this agenda. So, I work very closely with the Minister for Health and Social Services, for example. It's not just my portfolio that has schemes that are available for people who are looking for employment or, indeed, to upskill. So, for example, inside the health portfolio, there are many schemes to assist people in the care sector upskill. We also assist with apprenticeships, but there are interlocking programmes right across Government. So, Chair, I will endeavour to answer all of your questions today, but forgive me, because I think some of your agenda crosses across portfolios and some of those portfolio areas are not mine. So, I'm happy to answer, obviously, any questions that you've got or, indeed, to discuss any of the programmes in the list that I've provided to you today.

[208] **William Graham:** May I express the committee's thanks for the supplementary paper that you gave us yesterday; it was most helpful, listing the various programmes presently available. You had a question directly on the Minister's—

[209] **Eluned Parrott:** Yes, absolutely. Minister, I think we would all agree—and we've heard representations this morning—that the complexity of the number of different schemes that are available is, in and of itself, a challenge to people in navigating the system. So, whilst a gateway and a pictogram to help us navigate the system is very helpful, as we move forward, particularly with a new round of ESF funding, with different ways of measuring success in terms of moving towards outcomes rather than outputs, would now not be a good time, maybe, to think about how we could streamline those things and make sure that we're reducing the overlap in the programmes that are available?

[210] **Julie James:** We certainly are looking to reduce any overlap. I think the difficulty, however, is that a lot of this is needs-based from the individual. So, you do have to have a complexity of programmes, because you're targeting people with very different needs. So, for example, the needs of a young person who is unemployed, perhaps a long way from the job market, has been unemployed for 18 months or 24 months, will be very different to the programme need of an older worker in employment but who needs a career development upskilling. So, whilst I absolutely understand the sentiment of that—and yes of course we will look to make sure that we have as streamlined a situation as possible—I think the difficulty is that we do have to have schemes targeted at particular groups of people, and those groups of people have very different needs and so one size doesn't fit all, unfortunately. That is the example I'd give. So, for example, the Work Ready programme, which is for people who are looking to skill up towards being work-ready targets a particular set of long-term unemployed people; Jobs Growth Wales targets people who are closest to the job market and who need work experience to get into that market. Those schemes are very different in what they provide and the people they are targeting.

[211] **William Graham:** Keith.

[212] **Keith Davies:** You have mentioned the skills implementation plan and the co-investment in skills framework; do they give sufficient emphasis for the over-50s? We are looking at employment opportunities for the over-50s. You mentioned the skills gateway for adults, and one of the comments made by many who have come before us is that the over-50s actually lack IT skills and, if this new gateway is IT dominant, then it will have an adverse effect, perhaps, for over-50s opportunities.

[213] **Julie James:** Taking those questions the other way around, the careers service is still there to assist people to access the skills gateway, so you can walk into a careers establishment and get help in accessing the gateway. We also provide a whole series of

essential skills programmes to get people into digital literacy of one sort or another. And, again, Keith, I would emphasise the difference between those people who are unemployed who are trying to access employment, and those people who are in employment who are trying to upskill themselves, because, again, those programmes are very different.

[214] So, for the people who are in employment looking to upskill themselves, we have Essential Skills in the Workplace programmes running, and a large number of our employers put people through those. I went to a very moving ceremony where employees of Dŵr Cymru had just passed their thousandth Essential Skills in the Workplace qualification, and a whole pile of people spoke about the real change in their job prospects inside the company and in their life overall of having Essential Skills in the Workplace—in particular, IT skills. I think I'm right in saying, looking back, certainly the vast majority of those people were over 50, and they were all over 24—there were some in their 30s and 40s. So, we do have those programmes running if you're in employment and your employer wants to also assist you; Dŵr Cymru is an excellent employer in that regard.

[215] One of the things I wanted to say to the committee is that we are looking to use exemplar employers of that sort, and the results that they get, which show much better job retention, lower sickness, better productivity—all the things that you'd expect from a more highly-skilled workforce—to persuade those employers in Wales, and, unfortunately, it's still nearly 40% of employers in Wales who don't do any in-house training all, of the merits of actually putting some of their own money into this, alongside the Government, and co-investing in the workforce, because it simply isn't sustainable for us to provide those programmes on a 100% funding basis into the future. That's the stark reality of where we are. And we know that those employers that do invest have better bottom lines—that's it. So, we are putting some small amounts of money into schemes that are around persuading employers to do that.

[216] And then we think that many of the employers are not unwilling to train, but they don't have the capacity to train inside their organisation. Many of our companies, as you will all know on this committee, are micro-companies—the very small of the small and medium-sized enterprises. So, we're looking to have a scheme—train the trainer, effectively—to put some in-house training expertise into those companies, or indeed to put them into pools of employers that can share that kind of training. So, we have some schemes looking at that as well. But we also have a number of schemes aimed at out-of-work people, and they aren't age-specific, so I don't think we do need to over-emphasise it. It's the other way around: unless it says it's for somebody under 24, it's for everybody.

[217] **Keith Davies:** But then, you know, we've got a 10-year strategy for older people, and the older people's commissioner says that it doesn't say much about employment and training opportunities, and she says much more needs to be done, and you mentioned earlier, obviously, that we've got to go across Cabinet responsibilities with social care and stuff. So, is the Welsh Government going to do more, then?

[218] **Julie James:** Well, I think what we need to do is we need to emphasise to employers, because I think you're talking about people in work there, actually—. We need to emphasise to employers the benefits to them of training and upskilling their older workers. But, frankly, we also have to emphasise to the older workers themselves the benefits of training and upskilling, because we know that, actually, when offered training, many older workers feel that they don't want or need it. So, we have a bit of a hearts-and-minds difficulty there.

[219] I attended a very interesting lecture last night by Professor Tom Schuller—the Raymond Williams memorial lecture—as part of our Festival of Dangerous Ideas. He was talking about lifelong learning, and his dangerous idea was that we should fund it right into what he was calling 'the fourth age', although I have to say there was a bit of a disagreement

in the audience about what that might consist of; I think it rather depended on how old you were already at what age you thought that might start. He pointed out in no uncertain terms, for example, the real benefits of allowing people who are in residence in care homes access to training opportunities and the really stark results of a survey—I can't remember who he said had done the survey, but I can find out, Chair, and let you know—that showed that where inmates in a care home, or residents in a care home, I beg your pardon, had access to those kinds of training opportunities, then the care home's ability to run itself as a business was much enhanced, because they had less use of prescription drugs, they had less use of incontinence pads, they had less use of a large number of expensive things that they have to provide, because the people resident in the home stayed much more capable for a much longer period of time. So, it's good business sense, as well as good common sense, for everyone. But I think what we've got to do is to persuade people running those businesses of that basic economic point, really. I don't think it's something that governments can fund for ever into the future.

[220] **Keith Davies:** A final question from me, Chair, again, from the older people's commissioner, about the public sector equality duty. Her comment, in a sense, was: is the Welsh Government is making sure that it applies that Act to its older employees?

[221] **Julie James:** I have to say this is not in my portfolio area, so, apologies, because I'm not completely familiar with the whole of the older people strategy; it's not in my portfolio. But, from our point of view, we are very happy that we emphasise that, other than for our priority area, which is getting young people into work—which I make no apology for whatsoever; youth unemployment is the scourge of all Western civilisations, so I make no apology for emphasising that—all of our programmes are open to everybody. It's just for us to make sure that people access them.

[222] **Keith Davies:** Fine. Thank you.

[223] **William Graham:** Jeff.

[224] **Jeff Cuthbert:** On the issue of co-financing and the role of employers, earlier presenters have talked about the difficulty with working to upskill employees of SMEs and some very small firms. Many of those small firms are part of the supply chain of anchor companies and regionally significant companies. What information do we have that, hopefully, shows that those anchor companies are seeking to spread good practice and supporting small firms in their supply chains to actually upskill their employees?

[225] **Julie James:** I think we've got some very good examples of that in Wales. We have also, I'm afraid, got some examples of bad practice in Wales. So, what we're doing, as I said earlier, is we're trying to get those people who are very good examples—I will name them: GE Aviation and Airbus are the two that are always mentioned, but there are others; those are very big employers—who take a great deal of interest in their tier-1, tier-2, tier-3 contractors and, indeed, take some interest in moving them up the tiers, if at all possible, because, obviously, it's in their long-term interest to have good supply chains that are well-equipped.

[226] Wylfa is another example where a lot of work has already been done on supply-chain SMEs to make sure that the training is spread all the way down the supply chain. I visited there only very recently to discuss with them how that was working. So, we have some excellent examples of that. We are co-investing in that and, indeed, we've just announced a further education college specifically for the nuclear industry to feed the Wylfa B opportunity there to make sure that the whole supply chain, not just the direct employees of Wylfa—Wylfa Newydd, as it's now called—will have access to those skills strategies.

[227] But we do have examples where we have big companies who are actually pinching

the qualified apprentices of their tier-1 contractors, where the tier-1 contractor has gone to the trouble of training up the people and then the person further up that chain is able to offer more money and so they lose the trained person. We are working very hard with those supply chains to make sure that we put the right incentives in, or the right disincentives in, and that we actually make sure that the companies in that position are fully aware of the impact of what they're doing. As I was saying, we're looking at exemplar employer-employee schemes to demonstrate exactly those points.

[228] I think, on the SME front, we are doing a piece of work, as I said, on making sure that SMEs who feel that they don't have current capacity to train have access to capacity to train, perhaps in cluster groups or perhaps on their own, depending on what their area of work is. So, we have got a number of pieces of work going ahead on that basis.

[229] **William Graham:** Just on that particular one, although I think most employers, of whatever size, would empathise with what you're saying, they may not make themselves aware. How are you going to make them aware that this facility is available?

[230] **Julie James:** What we've got now is we've got regional learning partnerships, and the regional learning partnerships are doing an enormous amount of labour market intelligence for us. A really good example is the economic ambition board up in north Wales, who have got a huge number of contacts right across the supply chains for most of their employers and an enormous number of contacts with small and medium enterprises in their area, and, through the regional learning partnerships, they are providing access to this sort of information and disseminating the information around the skills gateways and so on. We're looking very much to the regional partnerships, who are going to be producing their plans for how they're doing this to us any minute now, I think—March, is it? Yes. To implement that for us and to get that knowledge out there.

11:30

[231] **William Graham:** Thank you very much. Byron.

[232] **Byron Davies:** Thank you, yes. Morning. My question is about the effectiveness, really, of Welsh Government programmes for people over 50, and we've heard an awful lot of statistics this morning from a previous guest, and one of them is that only 7% of people accessing worked-based learning programmes in Wales are aged 50 or over, which I think is a startling number, so, I'd like to ask you what you think the impact of the Welsh Government's decision to prioritise funding for apprenticeships for people aged 25 and under is having on this.

[233] **Julie James:** Okay. Let's start at that. First of all, we haven't done that. The apprenticeship programme—high level apprenticeship programmes—are open to all age groups, just to be clear. So, if you're talking about a higher level apprenticeship, then there is no age restriction on that. Secondly, we have the problem I talked about earlier, which is that older workers themselves often don't feel the need to have any increased training, and so we need to do some work with them about the benefits to them of that training. Also, employers are reluctant to put them forward because we know that there is a misunderstanding about how long an employee, particularly, stays with your company, so, you might think that it's a piece of common sense that, if you've got a 25-year-old employee, that they're likely to stay with you for 20 years and so it's worth skilling them up, whereas, if you've got a 50-year-old employee, perhaps they won't stay with you for so long, but, actually, the labour market intelligence shows us that the people most likely to move are the 25-year-olds, who are still looking to progress their career ladder and who are happy to move to do so, whereas the older workers tend to stay much longer. So, we have a perception problem that we're working on, but our programmes are not not aimed at them; I think that is a misconception. The other

thing I would say, I'm just going to re-emphasise: again, we're just, at this point in time, talking about people who are in work accessing skills, but, actually, a lot of our programmes are aimed at people who are out of work trying to get into work, which is a completely different set of people and programmes, and, again, you know, we have older people who are out of work. We do have programmes that they can access—the Work Ready and Flexible Skills programmes and so on, but, actually, the biggest problem that we have as an economy here in Wales, and across western civilisation, is youth unemployment, so, again, I make no apology whatsoever for concentrating on youth unemployment. We know that young people who stay unemployed carry that scar with them for the rest of their careers. They never recover from a two-year gap in their employment, so, you know, I think we've made a tough decision. I don't want to be in a position where I'm making any cuts at all—I make that more than obvious—but I think, given the tough situation that we're in, we've made the right decisions about where the priorities are.

[234] **Byron Davies:** Okay. Just coming back to the over-50s, then, we're also told that older job seekers are more than twice as likely to be long-term unemployed than younger job seekers. So, I'd like to ask you—and I think you've partially answered this—how the Welsh Government helps people who are over 50 who are long-term unemployed. How are effective are programmes such as Work Ready and Lift? Or is it, perhaps, too early to give us an indication of that?

[235] **Julie James:** Well, again, one of the difficulties that we have, and you've heard me, again, talking about this a number of times, and we've had some breakthroughs with this, is the inter-relation between the UK Government's programmes and our programmes, so the Work Programme and our programme. A lot of people who are over 50 or, in fact, who are just in the long-term unemployed category, find themselves in the Work Programme, and what we've been doing is working very hard with the DWP at official level—and Huw, I'm sure, could say a few more things about this, as he's one of the officials that's been doing the work. We've been working very hard with the DWP to get a better transition between those programmes.

[236] **Byron Davies:** Can I just interrupt you? Is there duplication?

[237] **Julie James:** Well, we don't know is the problem, because the problem is that what goes on in the Work Programme is not transparent to us, so we've been doing a lot of work with them, and they're about to go out to contract again, and we have a lot more transparency, I think, in that contract. I'm going to let Huw give you the answer on that, as he's the person that's been doing the work.

[238] **Mr Morris:** Thank you, Minister. Just to reiterate some of the points that have already been made, the Work Programme operates on the black box principle. So, the providers of that scheme are allowed to provide any intervention that they feel would help long-term unemployed people into employment. The challenge for us is that many of our programmes receive European Union moneys to support them, and we are accountable for what goes on on those and there must not be any duplication. So, we've worked very carefully and at great length with DWP and JCP to specify what it is they're doing and what it is that we can do in concert with them. We're looking at the opportunities through the re-contracting process to bring those things into better alignment. We have asked our colleagues in JCP on several occasions to give us indications of older workers who are not getting access to training, who are unemployed. They've been unable to provide us with any evidence of that. Our position has always been, with Work Programme providers or with our own points of reference, whether that be JCP or Careers Wales, that those individuals could be passed to one of the many schemes operated by the colleges or the work-based learning providers and there will be provision for those people.

[239] **Eluned Parrott:** One of the gaps that is concerning or that has been raised with us is that there are specific sectors where people are not necessarily taking higher-level apprenticeships. So, the one that has been raised most frequently is the care sector, where we have a significant proportion of people going back into the workforce later on in life, and it seems to be that women are being disproportionately affected by a lack of availability of level 2 and 3 apprenticeships in this particular field. Do you anticipate that there will be sectors that are particularly challenged by the focus that you've decided to take? Are you concerned that some of these sectors where the skill levels are currently very low are going to be perhaps the least willing to engage in the co-investment programme that you want to take forward?

[240] **Julie James:** I think that there is no doubt at all that the care sector is affected by some of the cuts in the work-based learning programmes that we've made and, as I said, there have been no good choices here. I don't wish to be in this position. However, we have, as a result of the consequential we've recently had, put £0.5 million more into that, so that's about 350 more apprenticeship starts than we would've had without the consequential. We've done that on the basis of 70% funding. So, we will fund those places at 70%, at somewhere between £1,200 and £1,400 a place, and we expect employers to fund the rest of that. We have a lot of employers in the care sector who are excellent employers. I was at one only recently, again on Rhun's patch, where I was handing out certificates for the best part of an hour to people who had done really well—an employer who had invested heavily themselves as well as with Welsh Government funding, because they understood the need to retain and skill their workforce, and actually they understood their bottom line, as I said to you earlier. We're doing a lot of work with employers like that to persuade others in the care sector that they need to do something similar.

[241] We are targeting higher-level apprenticeships in those sectors because, sadly, I fear that what's been happening is that employers have been using apprenticeship moneys to get really what is an essential skills in the workplace scheme going. So, you're talking about getting people at level 1 or level 2, and then they're not letting them progress past that, and I think that's one of the things that we need to sort out. We all know that one of the problems in the care sector is that it's a low-paid job for—. I mean I've heard people saying, 'Low paid, low-skilled', but it isn't a low-skilled job; it's a very highly skilled job, but it's very low paid. So, one of the things we want to do with our money is encourage a career progression inside those sectors. So, we are deliberately targeting—and I make no apology for this—higher-level apprentices because we're trying to get those employers to let their people progress up the scale past essential skills up into professional skills. I think that that's the right thing to have done.

[242] We're not saying that the money isn't available at all for people who aren't on higher-level apprenticeships, but we've targeted it at that in the first instance. If we find that we can't get sufficient numbers of people onto the scheme, we'll allow people at level 3, perhaps, to go into it as well, but I'm not currently anticipating any problem in getting that number of people into it. What we're doing then is using them as exemplar employers to make sure that others understand the real benefits to their business of having skilled people, valued people, who stay with them longer, have their sickness absence and all the things I said earlier and, frankly, provide first-class care as a result. The business I was in in Ynys Môn was a fantastic place; it was all happy. I had such a good time there. There was a birthday party going on, and the care workers were great. I handed out a whole pile of certificates. It was a good place to work. It was also a good place to live, which is what you want, isn't it?

[243] **William Graham:** Rhun, do you have some questions on that—in fact, the last one?

[244] **Rhun ap Iorwerth:** You say you have no regrets and make no apologies for some of the tough decisions, as you say, you've had to make. You say it as if we're starting from a very high base for, say, the over-50s, and that maybe there'll be a little bit of a lull during

these tough financial years. But if we look at the figures of over-50s in FE or engaged in work-based learning, or engaged with other community learning providers, the numbers have dropped from 64,000 in 2006-07 to 37,000 in 2013-14, prior to the cuts being introduced. Now, how concerned are you about that—almost halving the number of over-50s already engaged in learning?

[245] **Julie James:** Yes, I mean what I'm trying to say here is that, in a diminishing budget, I make no apologies for having had to prioritise and make very difficult decisions. I'm not pretending for one minute that they aren't very difficult decisions. They are very difficult decisions, and I will say once more that, you know, this is what austerity looks like and I, for one, don't like it. I think it's an ill-advised thing to do, to take money out of upstream provision, because it has a bad effect on the economy later on, which is not something that I'd want to look at. But we've had to make these very difficult decisions and so we've prioritised those people who are most in need of the money. I also think that, unfortunately, we're going to be in a position where Government budgets diminish over the next several years, and so what this whole strategy is about is making it sustainable into the future.

[246] I think you're just trying to come back to me about the part-time stuff. We're actually doing a bit of work on part-time provision. One of the difficulties we've got is how we allow people who are part-time workers, and, frankly, a lot of them are very low paid part-time workers—these are not professional people choosing to work part-time; these are people on low-wage, low-hours contracts without any real amounts of money to spend afterwards. We're having a really good look—and we were just discussing it before we came in this morning—at trying to get a modular system into place, so that you can accumulate credits over a period of time, which everybody understands, so you know what you've got. Then, you can bunch together, if you like, to get a level 1 or level 2 over a longer period of time. We could look at targeting some of that to get those part-time people back into learning. We know that they're dropping out, and we know why they're dropping out, really, so we are very seriously looking at schemes that can rectify some of that, but there's only so much you can do in a situation where a large number of people are in part-time, low-paid jobs.

[247] **Rhun ap Iorwerth:** I appreciate that, but if I could just take one step back, obviously, these times of austerity do force certain decisions on Government, but, again, I refer to the figures that I mentioned there. The dramatic decrease in the over-50s engaged in any sort of learning had happened already, before the tough decisions being made now due to austerity. I, for one, am not going to criticise you for prioritising young people over the older section of the workforce in these hard times, because these are problems that, as you say, are with people for life. But there's a difference between making something the highest or the top priority and making something else seem as if it's not a priority at all—and not just now, but before austerity, for six, seven years.

[248] **Julie James:** I understand the point you're making entirely, and I think the drop has been very largely in actually self-funded part-time courses as well, so it's not just Government funding here. So, large numbers of people don't have the disposable income that they used to have in order to engage in what would've been called night classes or part-time education, and that is a major issue for us. We do subsidise some of those courses. I would like just to emphasise that although we have made cuts to the work-based learning budgets, and I've said this a lot—and the cuts are big cuts, and I'm not happy about that; it's not an easy decision—we haven't cut the budget. We've cut about a third of the budget, actually, so two thirds of that budget are still there. So, I have said in numerous places over the last several weeks that it isn't that we don't have any kind of priority for it, because if we didn't have any kind of priority for it, we'd have cut the budget altogether. We have cut the budget; I was reluctant to do that. However, we haven't cut it completely. I just really want to emphasise that. What we are doing is encouraging our work-based learning providers to get the employers to co-invest with us, so that we get as much training for that money as we

possibly can.

11:45

[249] **Rhun ap Iorwerth:** Just one last question from me. There's a danger in that we're talking, maybe, about the youngest people on specific under-24 schemes and then everybody else. We are looking at over-50s specifically here. What assessment have you made of the effects of the decisions that you have made, as a Government, in this area to prioritise young people, specifically on over-50s, rather than on everybody else, if you see what I mean?

[250] **Julie James:** Right. I don't think we have specifically looked at the impact on over-50s, because that's not how we categorise people in the system. I understand why the committee is looking at that, but we categorise people as 'adult' or 'young people', really. So, the schemes are aimed at adults—

[251] **Rhun ap Iorwerth:** Do you need to? In light of what we're talking about here, do you see, perhaps, it's something that you—

[252] **Julie James:** I would be reluctant to do that, because there are always winners and losers when you start to put more and more barriers in. So, you know, somebody who is 49 is going to be very put out if they can't access a scheme until they're another year unemployed. But we do have a lot of programmes aimed at older workers, for example, facing redundancies—all the work we've been doing down at Murco with our ReAct III programme, and so on. A large number of the people facing redundancy are, as you would expect, older in the workforce. So, a large part of these programmes do actually end up helping people who are in that category, but I, for one, would not be looking to put more tiers, if you like, into those systems, because I think, at every point, you have winners and losers, and I think that, as Eluned said, the system is already complicated enough. If we start putting more age barriers into it, I think that would actually have unintended consequences that I wouldn't want to have happen.

[253] **Rhun ap Iorwerth:** What I asked was have you assessed the effect of prioritising younger people on over-50s, not are you going to be introducing schemes for over-50s?

[254] **Julie James:** The answer is no, we haven't, because I don't know how we would do that, because our programmes aren't targeted in that way. So, it would be a very difficult thing, I think, to construct in terms of an impact. I mean, I can ask officials whether we—. I don't know how we do it. We don't have statistics in that way, targeted at over-18s or over—

[255] **Rhun ap Iorwerth:** But we've considered it worth while, as a committee, for example, to look at over-50s and maybe the Government should or could be looking at over-50s, as well.

[256] **Julie James:** Yes, I'm happy to go back and see whether there's any way that our stats can be looked at in that way, but I suspect not, I'm afraid, Chair. But I will come back to you on that. We just don't categorise it like that; we don't keep the information in that way.

[257] **William Graham:** Okay. Jeff.

[258] **Jeff Cuthbert:** Can I ask you something that you began to allude to that's about the relationship with the DWP? Obviously, for the person seeking support, either to get back into work, or to improve their skills, they're not too concerned about who's running which programme, they just want access to the right programme for them. I understand, of course, the different relationships, both administratively and indeed, politically. But can you tell me, in terms of the joint employment working board, how is that going? What is the type of

relationship that you have now? Is there a spirit to co-operate and avoid, as far as possible, unnecessary duplication?

[259] **Julie James:** Yes. I think, as you probably heard from what Huw was saying, we have continued to have that board meet. It had an end date, originally, but now that's been extended. We have had some breakthroughs with them in terms of the new contract being let. We are hopeful that we will have a lot better integration of the two things. I absolutely agree with you: I don't think anybody would care. If you're the person receiving it, you don't care how it's funded. One of the difficulties we've got, though, is that people are mandated onto the Work Programme; they have no choice but to go once they meet the criteria. So, our difficulty, as Huw was saying, is about trying to show that we have additionality and we don't have duplication. We do have additionality in allowing them access to our programmes. But I don't know, Huw, if you want to say any more on that.

[260] **Mr Morris:** I'd say the working group is going very well and there are plans to continue that work. Obviously, there's a broader process of consideration of elements that may get devolved to different nations across the UK. The Smith commission proposals are part of that, and we're working closely with colleagues in the Wales Office and DWP to make sure that we have the best schemes in place when those conclusions are reached.

[261] **Jeff Cuthbert:** Thank you. There certainly was a plea from the national training federation for that to happen in the evidence that they gave to us just a little while earlier today. To what extent, then, do you use pleas like that from work-based learning providers and key partners to try and bring that about?

[262] **Julie James:** Yes, we're very aware that the National Training Federation for Wales, for example, wants this situation to be sorted out, and we keep them in the loop. We want it to be sorted out. I mean, who knows what's going to happen in the next two or three weeks, even. If we end up with the Work Programme being devolved, then a very large piece of work is going to have to be done about how we manage that programme, whether we restructure it completely, and so on. I'm not in a position at this point in time to say that. You know that we're very concerned that if it is devolved to us, it's devolved with all of the money necessary to run it.

[263] **Jeff Cuthbert:** Absolutely, yes.

[264] **Julie James:** We will need to have a look at that situation when it comes about, but the situation at the moment is that we're very happy with the progress we've made. The new contract is better, from our point of view, in terms of seamless transition, if you like, and, depending on what happens in the future, we feel that that relationship has been really quite fruitful. I have to say, it's not at ministerial level; it's very much at officials' level.

[265] **Jeff Cuthbert:** Thank you.

[266] **William Graham:** Byron, would you ask about self-employment?

[267] **Byron Davies:** Yes. It's a question about the extent of Welsh Government support for self-employment for people over 50, and the extent to which Welsh Government encourages more people over 50 to perhaps consider self-employment. Can you help us with that?

[268] **Julie James:** Yes, I mean, we have a system of loans and grants available, so if you want to self-fund, you can do that via our systems of loans and grants. A large part of the provision of support to people who want to be self-employed is actually not in my portfolio, because it's business support, so it's through the Minister for Economy, Science and

Transport; so, it's outwith my budget. But we certainly do have programmes to assist people into self-employment, and we do have programmes that allow people to access funding, to self-fund for some training opportunities, and then, depending on the status of your business, obviously you can access all of the other programmes that are then available. So, I think that you're probably talking about just the start-up phase, in terms of going from unemployment to self-employment, and most of that provision would come from the Minister for the economy.

[269] **Byron Davies:** How much interaction is there between the two Ministers?

[270] **Julie James:** Oh yes, we talk all the time about how to get those sorts of provisions in line with each other. That's the sort of support that will be available through the skills gateways, both the business skills gateway and the individual skills gateway. So, there will be signposts on those gateways. In fact, I think that those are some of the ones that are live already, that assist you to find the funding necessary to get your business going, and indeed to access some of the training and some of the business skills that you will need to get your enterprise up and running.

[271] **Byron Davies:** Because they're very closely related, really, aren't they?

[272] **Julie James:** Absolutely. Lots of our programmes are aimed at once the business is established, if you like, and you're up and running, then you have access to all of the programmes that we've been discussing this morning.

[273] **William Graham:** Mick, you were going to ask about European funding.

[274] **Mick Antoniw:** I apologise. I might have missed it, but I think the Euro-funding issue has been asked.

[275] **William Graham:** Well, only partly addressed, certainly.

[276] **Mick Antoniw:** It was really just a question of the effectiveness: the extent to which we are maximising the benefit and use of the European funding in this area.

[277] **Julie James:** I think, actually, our programmes do very well. For example, our framework completion rates for all of our apprenticeship programmes are at 86%, which is a very high framework completion rate—certainly among the best in Europe. By contrast, the framework completion rate in England is 72%, which is still a good rate, but ours is much better. I think a large part of that is because we do a lot of work with employers and our apprenticeship matching service is very good. So, you're looking to put people into the right slots for them because, obviously, people are much more likely to complete a training programme if it was the training programme that they felt was appropriate for them in the first place. I think that's one of the problems with the Work Programme—the mandation, actually. We think that one of the reasons that that programme isn't all that successful is actually you're not always mandating somebody into something that they would have chosen for themselves, and that's one of the pieces of work that we'd like to do.

[278] So, we're very happy that we have very good success rates with our programmes. If you look at the drop-out rates, for example for Jobs Growth Wales, which is an ESF-funded programme, they're very low, and the numbers of people who drop out of the programme to go on to full-time employment elsewhere are very high. The numbers of people who drop out for personal or medical reasons are really very low. So, you're talking about the low hundreds of people dropping out just into nothing because of health or personal problems, as they're called. The vast majority who don't complete a Jobs Growth Wales opportunity don't complete it because they've gone into employment elsewhere, outside of the programme, leaving that opportunity open for another individual to take. So, I'm very happy that we do

get very good value for money.

[279] **Mick Antoniw:** I do get good feedback on that. One of the things we learnt when we had the employment conference in Cardiff a while back, which was more aimed at the youth side, but not completely, was, of course, the European experience of different examples, and so on, and some really quite exciting things that are happening. Do you get the feeling that we are sufficiently in tune with what is happening in other European countries in similar areas, so that we are actually maximising not only how some of the European countries secure funding in the areas, but also, I suppose, the adventurous nature of some of the projects that they have been developing?

[280] **Julie James:** Yes, we've been working very closely with European colleagues; I was at the conference that you were chairing on youth unemployment across Europe, where we were sharing learning and what works, what doesn't work and what people have tried. We do quite a lot of work with that. We're currently in the process of settling our ESF programmes for the 2014-20 round, and I'm sure Members will be aware of the priorities for that. Just to remind you, priority 1 is tackling poverty through sustainable employment, priority 2 is skills for growth and priority 3 is youth unemployment and attainment, and, again, that's because youth unemployment is the biggest problem facing all western civilisations. So, we are developing a whole series of programmes that are successor programmes for most of the ones that we've already got running, because they've been very successful. So, a successor programme for Jobs Growth Wales, for example, a successor programme for the Flexible Skills Programme, and so on, and they are in the process of going through the Welsh European Funding Office approval process, and so on.

[281] And, indeed, we are waiting, I think it's fair to say, with bated breath as we speak for one of our programmes, which we hope will be accepted, which is the 'activate your potential' project, for example, which is the project that Careers Wales, we hope, will be running for us, which will assist people to find much earlier on in all the things—. When I was a member of this committee, we were still discussing about ensuring that you get the earliest possible advice on what skills you need in order to become whatever it is that you want to become.

[282] And I'll just say—sorry, Chair, my voice is giving out—one of the exciting things I really like about the new careers programmes is the employment clusters that we've got through the regional learning partnerships, and our new enhanced employer engagement piece of work, which is allowing employers access onto the skills gateways and careers programmes to give an idea of what it is that they do all day to people. These are not just accessible to young people; these are accessible to older people right across the market, because, frankly, you're not going to apply for a job if you don't know what it is. Excuse me; my voice is actually just dying.

[283] **William Graham:** Not much longer now, Minister. Eluned.

[284] **Eluned Parrott:** Just on the European structural funds, obviously, the aspiration is that this will be the last round of structural funds that Wales will qualify for. So, can I ask in terms of the planning for the next round of programmes, what exit planning are you doing? Clearly, what we need really is perhaps a 10-year plan that takes us beyond the ESF funding for these things.

[285] **Julie James:** A large part of our co-investment strategy is aimed at exactly that. So, everywhere I go—I'm talking to the National Training Federation for Wales later on this week, for example—we talk about sustainability, and by that we mean a slow Government exit from some of these programmes and a stepping up to the plate of various employers. I think if you speak to your constituents out on the streets and ask them who funds

apprenticeships, most of them still think that they're funded by the employers. It's actually a shock to most people that most apprenticeships are funded by the Government, and I think that that's something that we need to get back to.

[286] I perceive it in this way: I think what we're aiming towards is ensuring that our young people, coming out of their various compulsory education programmes—and the Minister for education is making some important announcements only today about the new curriculum—have the right skills at the various levels that they've stayed in compulsory education to, so that employers understand that they are fit for work and that the employers themselves can then understand what their training needs will be in work. So, that is the strategy; that is, if you like, the exit strategy, but it's just the strategy.

12:00

[287] I think it's been a piece of work that's been well done. Professor Donaldson has done a lot of work on it; it feeds directly into this programme; it feeds directly into your older workers' considerations, because it will enable everyone to understand what level people are at when they say level 2, level 3, level 4, both vocationally and academically, and it will enable employers to have a better base for understanding what training they need to put in place to secure the skills for the future. So, absolutely, we are completely on top of trying to ensure that these programmes have a lifetime past the ESF funding, and that's entirely what the co-investment strategy is about. I really think that I'm struggling at the moment, with my voice.

[288] **William Graham:** It's the last question.

[289] **Joyce Watson:** It's on demographics. We've had evidence that suggested that, in future years, there won't be enough young people to replace the older workforce that is struggling to get into work or employment. So, first of all, do you agree with that analysis, and if you do agree with that analysis, how are you looking to readjust?

[290] **Julie James:** Yes, I think we probably do. As I've said—just to repeat what I said—whilst we absolutely and utterly understand the importance of older workers in the workplace, or adult workers in the workplace, I have to say, and we want to support those—and I emphasise again that if I didn't have any kind of priority in that area, I would've cut the budget completely and that isn't what we've done—nevertheless, we need to ensure that the young people who are coming through who are our future—sorry to use the cliché—are better equipped to ensure that our economy flourishes into that future. So, of course we've had to prioritise that. That's not to say that we don't understand the needs of older workers and, indeed, the needs of older unemployed people, which is again, as I emphasised at the beginning of this session, a different category. The programmes that we have to assist people facing redundancy, which is a big category of older workers, will continue to be there; we'll continue to have ReAct to assist people who are faced with those sorts of problems, because we understand that keeping the skills that we've got inside our economy is also one of the most important things that we can do.

[291] **Joyce Watson:** Are you working with employers or prospective employers to make them aware of the benefits, if they're not already aware of the benefits, of retaining the 50-plus workgroup?

[292] **Julie James:** Yes, absolutely. As I said to you earlier, one of the things that we've been doing through the regional learning partnerships is making sure that people understand the market intelligence that's available to them, for example, the amount of time an older person is likely to stay with you compared to a younger person, because I think, actually, that's counterintuitive. If you employ somebody at the age of 50ish, they're likely to stay with

you for the rest of their career. If you employ somebody at 25ish, they're most unlikely to stay with you for the rest of their career; that's the truth.

[293] **Joyce Watson:** My very final question, Minister. I know it's a very recent announcement by the Westminster Government that they will be asking young unemployed people of six months or more to work for £54 a week. Do you think that that might have an impact on some of the schemes that you have talked about in terms of getting people to take on trainees?

[294] **Julie James:** Yes. I think that the ability to support yourself and your family is a very important one. One of the pieces of work that we are doing, and we've been discussing with the Westminster Government, is the amount of money a person on an apprenticeship is paid because I think that is a real issue. At the moment, apprentices are paid very poorly because it's assumed that they're a younger person who's being supported in some way by a family. Now, if we want to get older people into apprenticeships, then clearly they're not going to be very happy to be paid a very low rate. I, for one, don't think that any apprentice should be paid at that level. It's an ongoing conversation that we need to have, but it's part of the living wage conversation as well, which I think is a much longer conversation than we can have now. But I take the point you're making and it is something that we are looking at.

[295] **Joyce Watson:** Thank you.

[296] **William Graham:** Thank you very much, Minister. I'm glad your voice lasted.

[297] **Julie James:** Apologies, Chair.

[298] **William Graham:** We're very grateful to you for your attendance today. Thank you for the evidence that was given.

12:04

Papurau i'w Nodi Papers to Note

[299] **William Graham:** Could Members just note please the rather large number of papers to note? We accept those.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod

Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cynnig:

bod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi).

*Cynigiwyd y cynnig.
Motion moved.*

Motion:

that the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

[300] **William Graham:** I propose, in accordance with Standing Order 17.42, that the committee resolves to meet in private for the remainder of this meeting.

*Derbyniwyd y cynnig.
Motion agreed.*

[301] **William Graham:** Thank you very much. This meeting is now closed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:05.
The public part of the meeting ended at 12:05.*