

**Senedd Cymru**

**Pwyllgor yr Economi, Masnach a Materion Gwledig**

**Ymchwiliad:** Yr Economi Sylfaenol

**Cyf:** FE13

**Ymateb gan:** ColegauCymru

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**Welsh Parliament**

**Economy, Trade, and Rural Affairs Committee**

**Inquiry:** The Foundational Economy

**Ref:** FE13

**Evidence from:** CollegesWales



Economy, Trade and Rural Affairs Committee  
Senedd  
Cardiff Bay  
CF99 1NA

26 September 2024

Dear Economy, Trade and Rural Affairs Committee members,

**Re: ColegauCymru response to the inquiry into the Foundational Economy**

ColegauCymru is an education charity; we promote the public benefit of post-compulsory education and learning. As the representative organisation of all colleges in Wales, we are well positioned to be able to outline to the Committee the further education (FE) sector's views on the foundational economy. ColegauCymru recognises the importance of the foundational economy in building economic and social renewal in Wales. FE and apprenticeships are fundamental to foundational economy sectors, and ensuring continued investment in is critical to Wales' economic and societal wellbeing. We have focused this response to the elements of the enquiry most relevant to our members.

**To what extent has the Welsh Government embedded support for the foundational economy into its overall approach to economic development? What further steps should it take to do this?**

ColegauCymru recognises that the Welsh Government has integrated support for the foundational economy into its broader economic strategy, for example: in its Economic Mission which outlines commitment to strengthen the foundational economy; and through investment in the Apprenticeships Programme which delivers a significant number of skilled workers for foundational economy sectors. The scope of the foundational economy is broad and includes Health, Social care, Childcare, Hospitality, Retail and Tourism, and Construction, all of which draw heavily on the Apprenticeship Programme in Wales. The Committee should note the steady decline in the percentage of apprenticeship starts in these sectors, as colleges and other apprenticeship providers prioritise funding to other parts of the economy. During this Senedd term apprenticeship starts in the foundational economy, as measured by the sectors above and reconciled against apprenticeship sectors, show a decline from 67.14% in 2021 / 22 to 66.38% in 2022 / 23 to 57.62% (albeit based on verified data for quarters 1 and 2 only).

To further embed support for the foundational economy, ColegauCymru urges the Welsh Government to consider further investment in workforce development focusing on training and upskilling workers. This could utilize existing programmes such as the Apprenticeship Programme and Personal Learning Accounts to improve job quality and ensure a skilled workforce to meet local needs.



**Given the cross-portfolio nature of the foundational economy, how should the Welsh Government create a co-ordinated approach to mainstreaming support for foundational economy sectors across government?**

ColegauCymru continues to urge the Welsh Government to develop a Vocational Education and Training Strategy. This was one of the key recommendations made by the [Welsh Government's Vocational Qualifications Review](#) led by Sharon Lusher published 12 months ago. The need for clarity with a new strategy must be addressed with urgency so that we agree and invest in the right priorities for the future and the role of colleges in helping them to be achieved. We argued for recognition from the review and from government, of the distinctiveness of vocational learning, including appropriate assessment, clear and flexible progression pathways, and access to advice and guidance.

It is critical that the Welsh Government prioritises greater cross-departmental collaboration, recognizing the underpinning role that FE and apprenticeships play in health, education, housing, and economic development. Regular inter-departmental meetings and joint initiatives can help avoid duplication and align goals. Given the significant changes to the tertiary education landscape in Wales this is ever more important. We welcome the new ministerial team in Welsh Government leading on FE and skills, with three ministerial posts responsible – the Cabinet Secretary for Education, the Minister for Further and Higher Education, and the Minister for Culture, Skills and Social Partnership. Multiple voices around the cabinet table will bring huge benefits for colleges in Wales, but it is vital that they work together in a coordinated way. This joined up working means building a coherent 14-19 pathway, developing a plan for vocational education and training, valuing and investing in apprenticeships, and building a whole system focused on lifelong learning. At the same time, the establishment of Medr, the Commission for Tertiary Education and Research presents new challenges and opportunities which the sector and government must navigate together.

**Which of the Welsh Government's foundational economy policy initiatives have been most successful, and why? Which have worked less well, and why?**

A key success of the Welsh Government's approach to embedding the foundational economy into its overall economic approach is the Apprenticeships Programme. The programme delivers a significant number of skilled workers for the foundational economy, and is accessed by employers across Wales, from small businesses to large corporations, who in turn offer numerous opportunities for young people to start their career in the foundational economy. Restoring Welsh Government funding for apprenticeships is absolutely critical to our economic growth and community resilience.

**What examples of best practice exist in different foundational economy sectors and places within or beyond Wales? How could the Welsh Government better support partners to deliver best practice, and to scale it up where appropriate?**

ColegauCymru believes that by building on existing best practice, and better supporting partners to deliver and scale up the delivery of apprenticeships will ultimately create a more resilient and inclusive economy. Two examples of where the Apprenticeships Programme is making a real contribution to the foundational economy in Wales are included here.

- **Construction apprenticeships with TRJ Ltd.** The third generation of a family is now running successful construction business TRJ Ltd in Ammanford which was founded by former apprentice T. Richard Jones in 1935. Some 89 years later, the company is still employing apprentices, ensuring a constant stream of construction talent for South West Wales. In addition to employing 160 people, including 16 apprentices, TRJ Ltd provides work for around 100 local sub-contractors. Over the past five years, the company has employed 43 apprentices and supports award-winning shared apprenticeships and traditional apprenticeship programmes through Cyfle Building Skills and Coleg Sir Gâr. Construction trade apprenticeships from Foundation to Higher Levels are delivered by Coleg Sir Gâr, NPTC Group of Colleges and Bridgend College. Nine former apprentices now hold management or supervisory roles.

- **Healthcare apprenticeships with Swansea Bay University Health Board.** An Apprenticeship Academy is creating a new generation of fresh talent for a health board and meeting the challenge of recruiting to specific professions. Swansea Bay University Health Board (SBUHB) launched the academy in 2016, successfully training more than 250 apprentices across nine frameworks in the past five years alone. Bespoke programmes are tailored when skills gaps or opportunities are identified. With a focus on inclusivity and equality, SBUHB has effectually engaged with the local community to provide opportunities to those that may not have any qualifications or experience. SBUHB delivers its programmes in collaboration with college providers, NPTC Group of Colleges and Gower College Swansea, and they provide opportunities to existing staff as well as the new apprentices.

ColegauCymru continues to advocate for a vocational education and training strategy to link with Wales's economic and industrial priorities. The foundational economy should be a key consideration in this plan to ensure that Wales has the skills provision it needs to meet the challenge. Sustainable funding for colleges to deliver the skills Wales needs is essential – including for apprenticeships and more flexible provision, for example, the Personal Learning Accounts. Creating and funding more flexible pathways is critical. As our economy develops, it is crucial that the Welsh Government enables FE and apprenticeships provision to be flexible and work around learners' commitments.

It is important that the Committee notes that last year the sector absorbed a 14% cut to apprenticeship provision because of the Welsh Government budget. Consequently, recruitment was slowed, and staffing efficiencies were made. Demand for apprenticeships continues to be high, from both learners and employers. Providers are reporting high demand they cannot meet in key foundational economy sectors such as construction and health and social care. There is already emerging evidence of a direct impact on the opportunities that can be provided for working class young people and the restoration of funding through new arrangements for post-ESF should be a priority. This is fundamentally about equity of access to opportunities for those in the least affluent communities, as well as about apprenticeships being at the heart of the Welsh Government plans for growth.

We would welcome the opportunity to provide further detail to the Committee if it would assist the inquiry.

With best wishes,



David Hagendyk  
Chief Executive