

[National Assembly for Wales](#)  
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[Discussion on the Welsh Government's Co-investment in Skills Framework](#)  
**Evidence from Coleg Ceredigion – CIS 10**

**Discussion on the Welsh Government's Co-Investment in Skills Framework**

**Comments from Jacqui Weatherburn – Principal - Coleg Ceredigion**

**for consideration by the Enterprise and Business Committee**

Please note that the questions set out by the Committee are shown in bold

- **To what extent will the policy of co-investment help to meet the Welsh Government's aim of "ensuring that Wales develops a competitive edge in mobilising a productive and skilled workforce"?**
  - **Will employers engage with the principle of co-investment? Are levels of training likely to increase or decrease as a result?**
1. Ceredigion as a County and mid Wales as a region is peppered with bilingual SMEs and micro businesses. Employers in the County and region face huge challenges in respect of transport infrastructure and, in some cases, internet connectivity remains an issue. The proximity and volume of nearby markets mean that profitability can be adversely affected due to the cost of product transportation, and equally, opportunities for inward investment remain limited because of transport infrastructure. Margins are tight for private sector organizations and it will be the case that co-investment imposed on employers will result in a drop in numbers of those undertaking training.
  2. Alongside profit making organizations, Ceredigion and mid Wales has a large volume of public sector employers such as the Police, Ambulance Service, Hospitals, Schools, HE and FE institutions and County Councils. All of these organizations are facing substantial cuts in their funding and have limited opportunity to seek alternative funding options from within Wales if they work in isolation.
  3. It is recognized that substantial efforts are being made to secure European funding options both from within Welsh Government and by organisations working in partnership in order to secure their long term sustainability. However, it is the case that given current and ongoing funding constraints, public sector organisations, which make up the bulk of employers in Ceredigion and mid Wales, have limited scope to pay for training through a co-investment scheme. Whereas in the private sector the margins are tight, in the public sector, we no longer have margins at all.
  4. In attempting to mobilise the skills of the workforce, there is a current pre-occupation within Welsh Government with training at levels 3/4 and above as the only way to raise GDP. This preoccupation fails to recognise the sometimes hidden contribution made by

those who are only able to reach levels 1, 2 and the cusp of level 3. Without systematic and sustained funding for training both full time and apprenticeship based, at ALL levels, Wales will fail to utilise a whole raft of its population and far from eradicating poverty and deprivation, will contribute towards its growth. In discussing the co-investment framework, I would urge the committee to focus on a socio/economic model, rather than the one sided and potentially fragmented economic one.

5. It could be argued that individuals and organisations place more psychological value on items that are more highly priced. However, it is not the pricing that will provide a competitive edge, it is the areas in which we compete on the national and international stage that will make this edge ‘cutting’ and ‘competitive’. Simply transferring the cost of training employers will not make them more competitive, in fact, by draining their profits, it could do the opposite.
  - **What impact (if any) will increased financial investment from employers have on the quality and relevance to the labour markets of training courses?**
6. Training offered by Further Education Colleges in Wales is of extremely high quality and one only has to review the Learner Outcome Reports published by DfES of all colleges in Wales to confirm the same. We must recognise that investment from employers through co investment is designed to REPLACE Welsh Government Funding, not add to it. Under a co-investment programme, training providers are likely to be required to deliver more for less. The only way to do this is by removing the human input and replacing some more traditional learning methods with technology enhanced learning. Whilst this delivery method is entirely appropriate in many cases, the infrastructure costs and constant speed of change will need substantial investment in both the literal and the virtual to ensure the training is ‘value for money’. Employers, if they are paying themselves, and given the scenarios I have described above, will require more for less. It is questionable where the funds for building an infrastructure and constantly updating the same will come from in an environment of austerity

**As part of these suggested Terms of Reference, the Committee may wish to consider:**

- **Whether any additional training should be exempt from co-investment for example for new start-up businesses;**
  - **Are there alternative methods of sharing the costs of training, for example a training levy?**
7. Training at levels 1-3 must continue to be funded for all and must be exempt.
  8. A levy could be introduced, but it is questionable how this could be fairly staged. The methodology would need to take account of a range of factors and could not be based solely on size, income or profit. For example, a reduced levy may need to apply not just because a company is a micro business, SME or a new start up, but also based on geographic limitations, population base (i.e. the ability to grow in County and region) geographic infrastructure and transport links (providing the ability to grow out of County

or region, nationally and internationally) and matters such as set up costs in which the urban could far exceed the rural or vice versa.

- **The use of European funding.**

9. There is no question that this should continue to be sought, but at a national level and through joined up and seamless approaches through Government departments, Economic Development and Education and Skills in particular.

10. Employers have their own specific agendas, and whilst larger organisation work together through the CBI, smaller voices are not always heard. In addition, public sector organizations, whilst working together through Local (Public) Service Boards , each still have to answer at a strategic level to different departments within Welsh Government. Thus whilst those organizations are working together, they still face fragmented approaches from their paymasters which prevent the transition and progression which we all seek for growth and development and effective public service delivery, and the opportunity to procure European funding. The Well-being of Future Generations Act should move some way towards a more cohesive approach with a range of public sector organisations working towards the same goals. However, Further Education/Work Based Learning Providers are not ‘named’ public bodies included in the Act.

11. In closing I should just like to note:

- Mid- Wales has not been designated an Enterprise Zone. I consider this to be an oversight.
- Cuts in work based learning funding across Wales is likely to restrict training providers from being able to deliver the Welsh Government Skills Agenda which will be further restricted following the introduction of co-investment.
- Eligibility for some training opportunities, Welsh Government and European funded (sometimes one and the same) are strictly limited by the age of the individual, which can create an ‘equality’ challenge.

Jacqui Weatherburn

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