

Cynulliad Cenedlaethol Cymru / National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills
Committee
Yr Ardoll Brentisiaethau yng Nghymru / The apprenticeship levy in Wales
Ymateb gan Bwrdd Hyfforddi'r Diwydiant Adeiladu / Evidence from
Construction Industry Training Board

I am writing in response to your committee's inquiry 'The Apprenticeship Levy in Wales'.

CITB is the Industrial Training Board for the construction industry in Great Britain, working to ensure that construction employers have the skills and training they need.

To get the most out of the funding Wales will receive from the Apprenticeship Levy, the Welsh Government should ensure three things:

- The returns from the levy are used to invest in skills
- Employers working across borders within the UK should have consistency of access to, and quality of apprenticeships
- Investment in training should provide the right skills for industry and economic growth

Investing in skills

Money paid by Welsh construction employers to support training, such as the Apprenticeship Levy, should be used for this purpose. The Apprenticeship Levy offers the opportunity of significant sustainable investment in apprenticeships in Wales that can build on the Welsh Government's already ambitious programme. There will be an annual grant to Wales of £138m by 2019/20 from the Apprenticeship Levy. This could give thousands more young people the opportunity to benefit from high quality training leading to a career in construction.

The Welsh Government has set an ambitious goal of delivering an additional 100,000 Apprenticeship starts over the 5-year Assembly term. The Apprenticeship Levy block grant should be used to fund apprenticeships in Wales, ensuring employers see a return for their investment. In particular, the funds could be used to replace the loss of access to EU funding through the European Social Fund, which is contributing £73m over four years to apprenticeships in Wales.

The only exception to this principle we see is where it is proven that there is a lack of apprenticeship demand in certain areas and more relevant training is identified to support employers skills needs. This should be based on consultation with industry, and high quality Labour Market Intelligence.

Consistency across borders

We have concerns about consistency in apprenticeship training across borders and the additional complexity this causes for employers who work throughout the UK. Any Apprenticeship Levy paid against employees who live in England will be available in the Digital Account. However, this can only be spent on apprentices that work in England. Therefore, employers based in Wales with employees who live in England may have funds available in a Digital Account that they are unable to spend. We believe it may be appropriate to publish a full impact assessment of the Apprenticeship Levy ahead of its launch to understand any further potential unanticipated issues.

The Scottish Government has also consulted on the use of Apprenticeship Levy funds. CITB suggested that the funds should be invested to support growth, to develop new pathways such as Graduate Apprenticeships, to target priority industries, and to support key groups such as unemployed people. We believe a number of these principles should also apply in Wales.

Getting the right skills

Whilst there is a firm desire from the Welsh construction industry to see all attain Level 3 qualifications, it is appreciated that Level 2 apprenticeships must be maintained in construction, as they provide a specific skills needed by the industry. We also welcome the review of Construction and the Built Environment qualifications underway at the moment by Qualifications Wales that may address certain anomalies. The Welsh Government should ensure that apprenticeship funding supports locally identified apprenticeship needs through the Regional Skills Partnerships. Apprenticeship funding should also be targeted to support skills on nationally important construction projects, based on accurate Labour Market Intelligence.