



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

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

Dydd Mercher, 18 Gorffennaf 2012
Wednesday, 18 July 2012

Cynnwys **Contents**

Ethol Cadeirydd Dros Dro
Election of Temporary Chair

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

Sesiwn Craffu Ariannol Canol Blwyddyn gyda'r Gweinidog Addysg a Sgiliau
In-year Financial Scrutiny Session with the Minister for Education and Skills

Cynnig Gweithdrefnol
Procedural Motion

Yn y golofn chwith, cofnodwyd y trafodion yn yr iaith y llefarwyd hwy ynddi. Yn y golofn dde, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

In the left-hand column, the proceedings are recorded in the language in which they were spoken. The right-hand column contains a transcription of the simultaneous interpretation.

Aelodau'r pwyllgor yn bresennol **Committee members in attendance**

Byron Davies

Ceidwadwyr Cymreig

Welsh Conservatives

Keith Davies

Llafur

Labour

Julie James	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
David Rees	Llafur Labour
Kenneth Skates	Llafur Labour
Joyce Watson	Llafur Labour

**Eraill yn bresennol
Others in attendance**

Leighton Andrews	Aelod Cynulliad, Llafur, y Gweinidog Addysg a Sgiliau Assembly Member, Labour, Minister for Education and Skills
Jeff Cuthbert	Aelod Cynulliad, Llafur, y Dirprwy Weinidog Sgiliau Assembly Member, Labour, Deputy Minister for Skills
Owen Evans	Cyfarwyddwr – Sgiliau, Addysg Uwch a Dysgu Gydol Oes Director – Skills, Higher Education and Lifelong Learning
Carla Lyne	Dirprwy Gyfarwyddwr Gwasanaethau Cyllid a Chorfforaethol Deputy Director of Finance and Corporate Services

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

Siân Phipps	Clerc Clerk
Kayleigh Driscoll	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 9.51 a.m.
The meeting began at 9.51 a.m.*

**Ethol Cadeirydd Dros Dro
Election of Temporary Chair**

[1] **Ms Phipps:** Bore da i chi i gyd. As clerk of the Enterprise and Business Committee and under Standing Order No. 17.22, I call for nominations for a temporary Chair for this morning's meeting.

[2] **Joyce Watson:** I nominate Alun Ffred.

[3] **Ms Phipps:** I therefore declare that Alun Ffred Jones has been duly appointed temporary Chair and I invite him to open the meeting.

*Etholwyd Alun Ffred Jones yn Gadeirydd dros dro.
Alun Ffred Jones was elected temporary Chair.*

9.51 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[4] **Alun Ffred Jones:** Diolch yn fawr, a chroeso i'r Aelodau, y tystion ac aelodau'r cyhoedd. Mae'r cyfarfod hwn yn ddwyieithog, wrth gwrs, ac mae offer cyfieithu ar gael. Bydd trawsgrifiad o'r trafodion yn cael ei gyhoeddi. Rwyf yn eich atgoffa i ddiffodd eich ffonau symudol. Rwyf yn atgoffa'r Aelodau nad oes angen cyffwrdd â'r meicroffonau. Os bydd larwm tân, cerddwch allan yn drefnus. Derbyniwyd ymddiheuriadau gan Dafydd Elis-Thomas a Nick Ramsay.

Alun Ffred Jones: Thank you, and I welcome Members, witnesses and members of the public. This meeting is bilingual, of course, and translation equipment is available. A transcript of the proceedings will be published. I remind you to switch off your mobile phones. I remind Members that you do not need to touch the microphones. If there is a fire alarm, please exit the room in an orderly manner. Apologies have been received from Dafydd Elis-Thomas and Nick Ramsay.

9.52 a.m.

Sesiwn Craffu Ariannol Canol Blwyddyn gyda'r Gweinidog Addysg a Sgiliau In-year Financial Scrutiny Session with the Minister for Education and Skills

[5] **Alun Ffred Jones:** Rwyf yn croesawu ac yn diolch i'r pedwar ohonoch am ddod i'r cyfarfod—y Gweinidog, Leighton Andrews; Jeff Cuthbert; Owen Evans; a Carla Lyne. A ydych am ddweud rhywbeth cyn inni droi at y cwestiynau?

Alun Ffred Jones: I welcome and thank the four of you for coming to the meeting—the Minister, Leighton Andrews; Jeff Cuthbert; Owen Evans; and Carla Lyne. Do you wish to say anything before we go to questions?

[6] **Y Gweinidog Addysg a Sgiliau (Leighton Andrews):** Dim byd.

The Minister for Education and Skills (Leighton Andrews): Nothing.

[7] **Alun Ffred Jones:** Felly, awn yn syth at y cwestiynau. Bydd Joyce Watson yn agor y sesiwn.

Alun Ffred Jones: We will therefore go straight to questions. Joyce Watson will open the session.

[8] **Joyce Watson:** Good morning, Minister and Deputy Minister. In your paper, you detail progress on your priority commitments. Could you provide further explanation of how those priority commitments are aligned with the budget? How do they sit within the relevant actions and budget expenditure lines presented in the budget documentation?

[9] **Leighton Andrews:** I do not think that I have anything to add to the evidence that I gave to the committee last year. We go through an annual line-by-line exercise within the department looking at the alignment of our budgets with the priorities of the Government. We have done that for this financial year, and we will do that as we approach the next research assessment exercise—no, sorry; you can tell that I have other things on my mind this morning—we will do that as we approach the next resource allocation exercise.

[10] **Joyce Watson:** You say in your paper—and you have said it now—that in preparation for the budget round for 2013-14 you are reprioritising funding within your portfolio to better align it to the programme for government. Can you explain a little more about the nature of that reprioritisation? How will it better link the budget structures to your stated commitments in order that the outcomes can be linked to the use of resource?

[11] **Leighton Andrews:** There are a couple of areas where we will need to move some

money around. One will be in terms of further support for post-16 special educational needs and the other will be in the area of the school milk programme. There is one area in the Deputy Minister's portfolio that he may wish to refer to.

[12] **The Deputy Minister for Skills (Jeff Cuthbert):** We have put extra resources, in the light of the economic situation, into the Pathways to Apprenticeships programme and the Young Recruits programme for example, in order to help young people get into jobs and onto full apprenticeship schemes.

[13] **Keith Davies:** Yn yr atodiad i'ch adroddiad—os wyf wedi ei ddeall yn iawn—rydych yn mynd â £5 miliwn o gymwysterau a'i roi i addysg bellach. Roeddech chi'n sôn gynnu, Weinidog, am anghenion addysg arbennig. Ai dyna beth yw'r ffigur hwnnw? Pam mae bron £5 miliwn wedi mynd o gymwysterau at gyllid addysg bellach?

Keith Davies: In the annex to your report—if I have understood it correctly—you are taking £5 million out of qualifications and putting it into further education. You mentioned special educational just now, Minister. Is that was this figure is? Why has nearly £5 million gone from qualifications to further education?

[14] **Leighton Andrews:** With qualifications, there are years in which extensive work needs to be undertaken to look at the whole approach to qualifications and how that is working. There are years in which we do not need to do that exercise. So, we have money free, and we wanted to ensure that we had the support there in further education. The money was used to bolster capital in further education in the last year. Perhaps I can ask Owen to elaborate.

[15] **Mr Evans:** Mae'r Gweinidog yn hollol iawn. Fel rhan o'r gwaith o ymgorffori'r fagloriaeth Gymreig yn y system, rydym wedi bod yn ariannu'r system ar wahân i'r cyllid rheolaidd. Gan fod y fagloriaeth Gymreig wedi ei hymgorffori'n eithaf da yn y system, mae arian yn cael ei drosglwyddo'n llawn amser i gyllid rheolaidd, sydd yn mynd i ysgolion ar gyfer darpariaeth ôl-16 ac i addysg bellach.

Mr Evans: The Minister is absolutely correct. As part of embedding the Welsh baccalaureate in the system, we have been funding the system separately from recurrent funding. Given that the Welsh baccalaureate is now fairly well embedded in the system, the money is being transferred full-time to recurrent funding, which goes to school for post-16 provision and to further education.

[16] **Keith Davies:** Roeddech yn sôn am addysg bellach, ond mae'r fagloriaeth yn yr ysgolion hefyd. A yw ysgolion yn colli arian neu arian darpariaeth ôl-16 yw hwn?

Keith Davies: You mentioned further education, but the baccalaureate is also in the schools. Are the schools losing money or is this post-16 provision money?

[17] **Mr Evans:** Na, arian ôl-16 yw hwn.

Mr Evans: No, this is post-16 money.

[18] **Alun Ffred Jones:** Roedd gennyf gwestiwn ond rwy'n credu eich bod wedi ei ateb, felly ni wna'f wastraffu amser. Symudwn felly at newidiadau yng nghyllideb atodol 2012-13. Mae gan Byron gwestiynau am hyn.

Alun Ffred Jones: I had a question but I think it has been answered, so I will not waste time. We will therefore move to changes in the supplementary budget 2012-13. Byron has questions on this subject.

[19] **Byron Davies:** Good morning. First, I have a question on your priority commitments. Do you think that you have sufficient resources available within your portfolio for the 2012-13 financial year with which to achieve your priority commitments?

[20] **Leighton Andrews:** Yes.

[21] **Byron Davies:** Do you have plans for any further bids to the centrally retained capital fund, or calls on reserves in general, during the remainder of the 2012-13 financial year?

[22] **Leighton Andrews:** If there are opportunities to bid for more capital, we will do that. We have an extensive programme of capital projects that we could call on at any stage. There are always more capital projects that we can progress than we have money available for, not least because the UK Government has cut our capital budgets by 40% over the period of this comprehensive spending review.

[23] **Byron Davies:** Are there any areas where you feel that the availability of resources may impact on your ability to deliver commitments within your portfolio?

[24] **Leighton Andrews:** The main challenge is within capital. This relates to the current capital projects that we have and the start of the twenty-first century schools programme, and I have made that clear in Plenary statements in the past.

[25] **Keith Davies:** Roeddwn yn falch o weld eich bod wedi cymryd cyfalaf ychwanegol i newid y system yn ardal Llandeilo. A ydych yn meddwl y byddwch yn gofyn am fwy dros y flwyddyn sy'n dod? A fyddwch yn mynd i mewn i'r gronfa ganolog i gael mwy o arian?
Keith Davies: I was glad to see that you have taken additional capital to change the system in the Llandeilo area. Do you think that you will be asking for more in the coming year? Will you go to the central fund to get more money?

[26] **Leighton Andrews:** I think that you can assume that the Minister for finance is well aware of my desire for additional capital funding.

[27] **David Rees:** I have a quick question on the priority allocations and the transfers across your budget. I see that about £17 million is coming out of the reserves. What percentage of the reserves is that? There is a question as to how far your reserves go.

[28] **Leighton Andrews:** No, I would need to come back to you on that.

[29] **David Rees:** Twenty-first century schools is a major achievement of this Government and is working well. Are you projecting further transfers from capital to support that?

10.00 a.m.

[30] **Leighton Andrews:** The twenty-first century schools programme commences in 2014, so we are building up to that programme. We have a number of transitional funding arrangements with capital programmes at the present time. I think that you will be aware of that from the statements that I made in Plenary about the challenges that we face, and the further discussions that we have had with local government in the last 12 months over the capital programme. The reality is that it is the biggest programme of school capital investment that we have announced as a Welsh Government during the period of devolution, but it is challenging, and there are years in which it will be challenging. I am sure that we will be going back for additional support for that programme at different stages. We are clear that we can fund the programme that we have outlined, but there will be years in the future, beyond the current budgetary year, in which we will face challenges.

[31] **Keith Davies:** A gaf i holi cwestiwn ymhellach i hynny?
Keith Davies: May I ask a question further to that?

[32] **Alun Ffred Jones:** Na chei, yn
Alun Ffred Jones: No, you may not,

anffodus. Mae problemau technegol wedi codi, ac mae cais inni ohirio'r cyfarfod hwn a symud i ystafell bwyllgora 4 sydd draw yn Nhŷ Hywel. Ni allwn ond gwneud hynny gyda'ch cydsyniad chi, Weinidog a Dirprwy Weinidog. Awr sydd wedi ei neilltuo ar gyfer y sesiwn hon.

unfortunately. Technical problems have arisen, and we have had a request to adjourn this meeting and move to committee room 4 over in Tŷ Hywel. We can only do that with your agreement, Minister and Deputy Minister. An hour has been allocated for this session.

[33] It is up to you whether you agree to that request. It is a technical issue, over which I have no control.

[34] **Leighton Andrews:** I appreciate that, but I have another meeting at 10.45 a.m., which would be difficult to move.

[35] **Alun Ffred Jones:** It will take us 15 minutes to move. What is the view of the committee? We could have just under half an hour there, if we go over in 15 minutes. Would you be amenable to that? Obviously, you will be off at 10.45 a.m..

[36] **Leighton Andrews:** Of course.

[37] **Alun Ffred Jones:** Awn i ystafell bwyllgor 4. Mae'n ddrwg iawn gennyf am hyn.

Alun Ffred Jones: We will go to committee room 4. I am very sorry about this.

*Gohiriwyd y cyfarfod rhwng 10.02 a.m. a 10.19 a.m.
The meeting was adjourned between 10.02 a.m. and 10.19 a.m.*

[38] **Alun Ffred Jones:** Mae'r pwyllgor yn dal mewn sesiwn. Fodd bynnag, oherwydd y symud, daethpwyd i'r casgliad y byddai'n well inni beidio â chario ymlaen gyda'r sesiwn holi, gan na fyddai'r Gweinidog ar ei orau, efallai, ar ôl y symud yn ôl ac ymlaen; efallai ein bod wedi ei drin ychydig yn flêr. Felly, y teimlad oedd y byddai'n well inni ddod â'r sesiwn hon i ben ac anfon y cwestiynau yn ysgrifenedig at y Gweinidog a'r Dirprwy Weinidog—ynghyd ag unrhyw gwestiynau ychwanegol sydd gennych—fel ein bod yn cael atebion i unrhyw gwestiynau sy'n dal heb eu gofyn.

Alun Ffred Jones: The committee is still in session. However, because of the move, it has been decided that it would be better that we did not continue with the scrutiny session, as the Minister may not be at his best following the move; we may have treated him rather shabbily. Therefore, the feeling was that we should close this session and send questions in writing to the Minister and Deputy Minister—along with any additional questions that you may have—so that we receive a response to any questions that remain unasked.

10.20 a.m.

Cynnig Gweithdrefnol Procedural Motion

[39] **Alun Ffred Jones:** A wnaiff Aelod gynnig cynnig i wahardd y cyhoedd?

Alun Ffred Jones: Will a Member move a motion to exclude the public?

[40] **Keith Davies:** Cynigiaf

Keith Davies: I move that

[41] *fod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod, yn unol â Rheol Sefydlog Rhif 17.42(vi).*

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No.

17.42(vi).

[42] **Alun Ffred Jones:** Gwelaf fod pawb yn gytûn.

Alun Ffred Jones: I see that we are all in agreement.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.27 a.m.
The public part of the meeting ended at 11.27 a.m.*