



Monmouthshire

Torfaen

EU Funding Event

30 September 2015 / 30 Medi 2015

Blaenau
Gwent

Caerphilly

Rhondda
Cynon
Taf

Cardiff

Bridgend

Vale of
Glamorgan

Framework for Co-investment in Skills




Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Eu Funding Event – LSKIP 30 September 2015

Nick Lee

**Head of Policy and Intelligence / Pennaeth Polisi a
Gwybodaeth**



Concern
Frustration
Anxiety
Fear
Confusion



Why is co-investment so important?

- Wales needs to develop a financially sustainable skills system
- Important we can pool resources of government and employers to mobilise a productive and skilled workforce
- Employer investment in skills is lagging behind UK average



How has the framework been derived?

- **Public consultation** on the policy for co-investment in skills which took place between February and May 2014
- **Skills Implementation Plan** published in July details actions/ timelines up to 2016
- **Framework for co-investment in skills** published on 20 November 2014

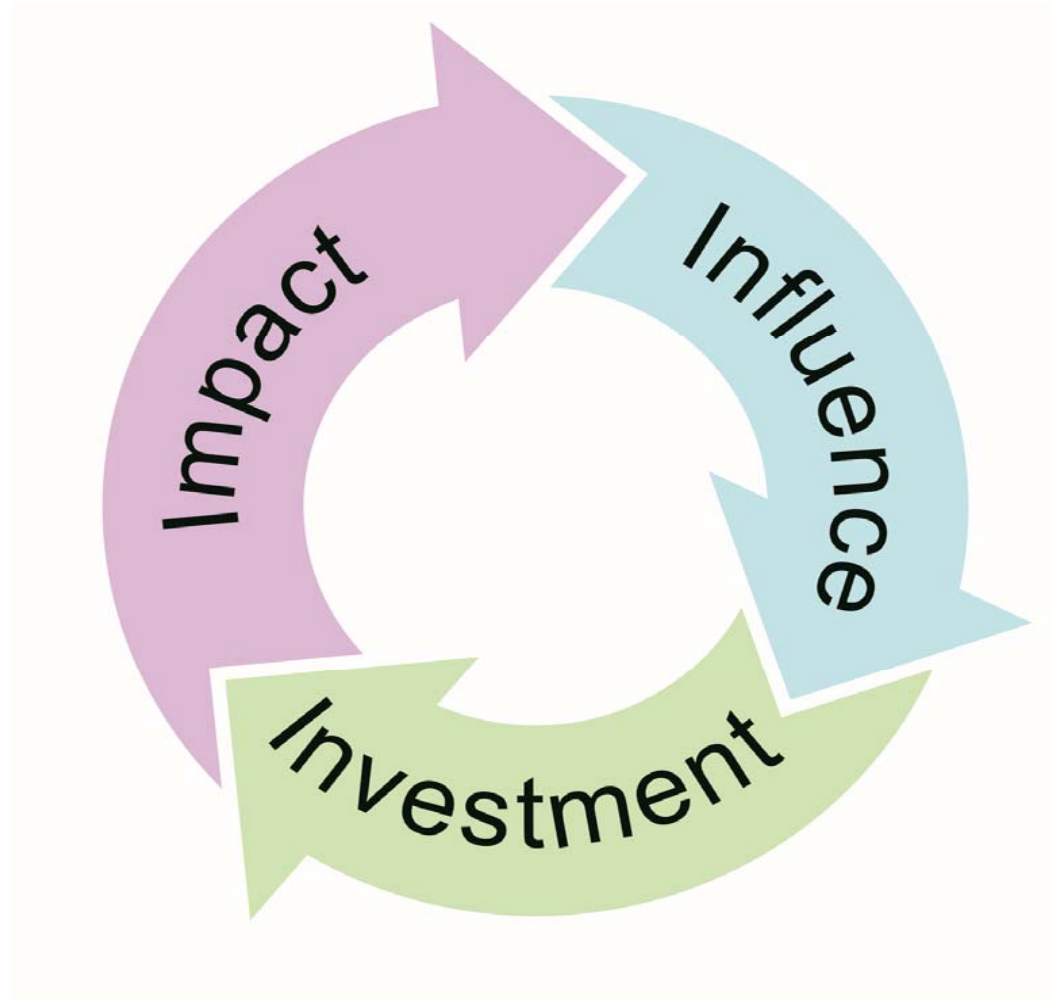
Advised and challenged by External Reference Group



What do we mean by co-investment?

‘The collective responsibility for skills investment in Wales shared between government, employers and individuals’

What is the focus of the framework?





Influence

- Influencing the demand for skills
- Influencing the supply of skills
- Influencing the quality of skills investments



Investment

➤ **Government-led**

➤ **Employer-led**

➤ **Joint action**



Government-led:

Subject to the availability of government resources the focus of investments will support:

- Apprenticeship provision at level 3 and below for under 25s
- Higher level apprenticeships (excluding higher education prioritised qualifications)
- Support for up to Level 2 in essential skills of numeracy, literacy and ICT
- Welsh for Adults
- Preparation for life and work (includes provision for learners with learning difficulties and/ or disabilities).



Employer-led:

To complement the resources being made available from government, employers will be expected to support:

- Apprenticeships up to level 3 for those aged 25 and over (excluding essential skills up to level 2 and support for higher apprenticeships)
- Accredited and non-accredited training for employees 19 and over



Joint action:

Where additional resources from government are available the focus of investments will be to:

- **Develop the supply of skills provision**
- **Expand the demand for skills provision**
- **Improve the quality of skills investment**



Impact

- Measuring the impact of skills investment taking place using the Welsh Government's Skills Performance Measures:
 - Jobs and Growth
 - Financial Sustainability
 - Equality and Equity
 - International Skills Benchmarking



When will the co-investment framework come into force?

- Implementation of the principles covered within the framework began in April 2015**
- The intention is that all elements of the framework will be fully implemented by 2017**



Further information can be found at:

- <http://wales.gov.uk/topics/educationandskills/skillsandtraining/framework-for-co-investment-in-skills/?lang=en>
- <http://wales.gov.uk/topics/educationandskills/skillsandtraining/framework-for-co-investment-in-skills/?lang=cy>

Thank you - Any Questions?



SkillsGateway

Joel Morgan & Rachel Arnold – DfES, Employability and EU Funding Division



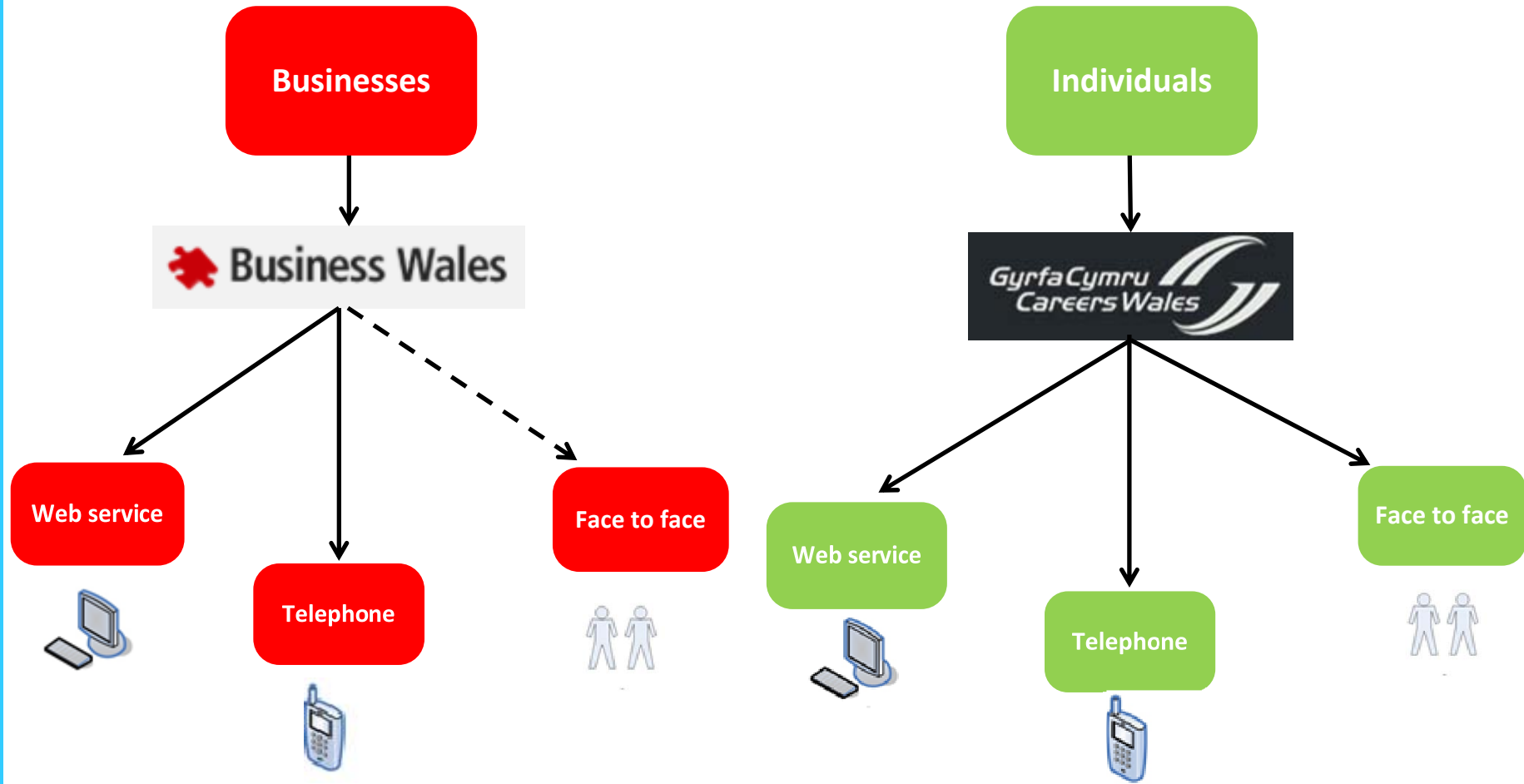
SkillsGateway

What is the Skills Gateway?

- A single engagement, assessment and referral system that provides a seamless service for businesses and individuals seeking skills support in Wales
- The core function of the Skills Gateway is to assist the client in determining employment and skills needs, ensuring they receive the right support to meet that need
- The model of delivery comprises of tailored support for both businesses and individuals;
 - Businesses via DfES and DES&T
 - Individuals via Careers Wales



SkillsGateway



SkillsGateway

Business Skills Gateway Online;

- 'Microsite' – hosted on <http://business.wales.gov.uk/skillsgateway/>
- Marketing, promotions, benefits
- Case studies
- Business Skills Assessment
- 3 tier support model
- LMI – In line with regional development
- Job matching – coming soon





Skills Profile



Role of the Business Advisors



**Regional
Priorities /
Initiatives**



**National
Priorities /
Initiatives**



**Business Plan – includes
Skills Development &
Training**



**ESF
Programme**



**Non ESF
Programme**



**Non funded
training**

SkillsGateway

Skills Gateway for Adults

- Provided via Careers Wales
- Additional functions;
 - 25 + support
 - Website
 - Telephone Helpline
 - Face-to-face
- Progression tracking
- Sharing information with JCP and other referral agencies



SkillsGateway

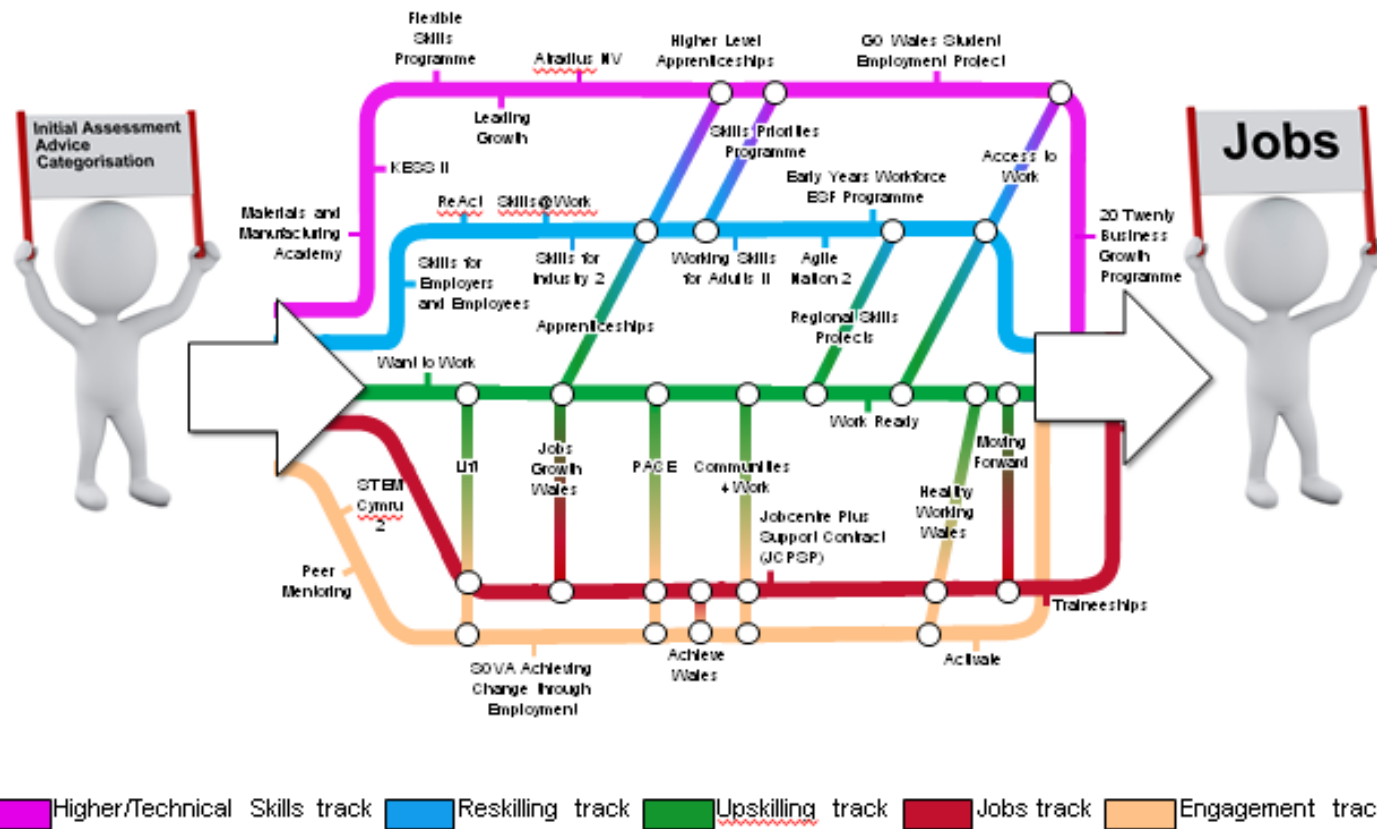
Employment Routes;

- Map skills provision across Wales
- Interactive tool that will re-format the DfES Footprint document
- Sit within the Skills Gateway
- For businesses – potential options for supporting their employees
- For Individuals – journey into employment or progression within work
- Regular programme updates required – Programme leads and Regional Partnerships



SkillsGateway

Employment Routes;

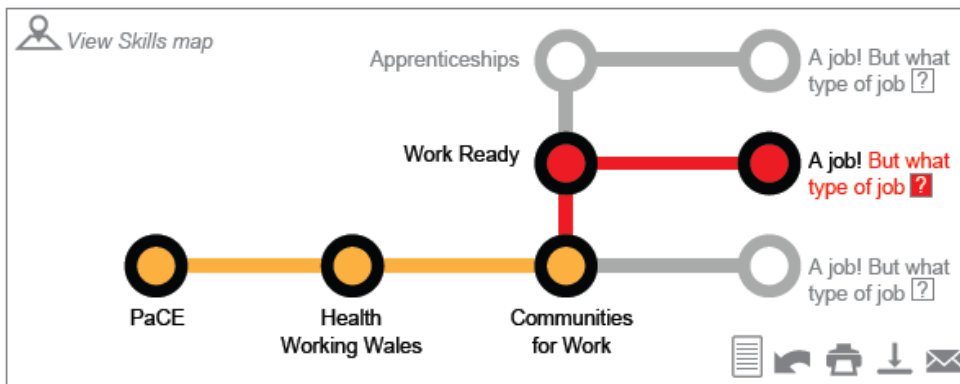


SkillsGateway

Employment Routes;

- Proposed design

According to what you've told us, these options are best for you...



so let's build your route...

1. Hover over each option to read about it. You can [amend your details](#)
2. Click to select an option and it will appear on your route. You can [undo any option](#)
3. When you've finished building your route, you can [print it out](#) Or [save it](#)

4. Now send us your route [✉](#) And we'll get back to you with more advice and information on where and how to get started on your programmes. Good luck! Call us FREE for advice 01234 567 890

Work Ready

Dunt aut aut odi quia comnis di doles doluptat et eari odi od et officia cor sectus, veritem repudaeres dolore cuscid quis remporiatem que parupta vel inullan debitat emperescius, ut accabor remporio.



SkillsGateway

PorthSgiliau

I oedolion

gyrfacymru.com/porthsgiliau

0800 028 4844

@porthsgiliaugc

I fusnes

busnes.cymru.gov.uk/porthsgiliau

03000 6 03000

SkillsGateway

For adults

careerswales.com/skillsgateway

0800 028 4844

@skillsgatewaycw

For business

business.wales.gov.uk/skillsgateway

03000 6 03000





State Aid and Training

September 2015



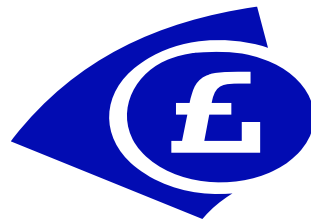
Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk



What is State aid?

State aid is an EC term for any public resource given selectively to an undertaking that could potentially affect competition and Intra-community trade



5 tests for State aid

The following criteria must all be met for State aid to be present:

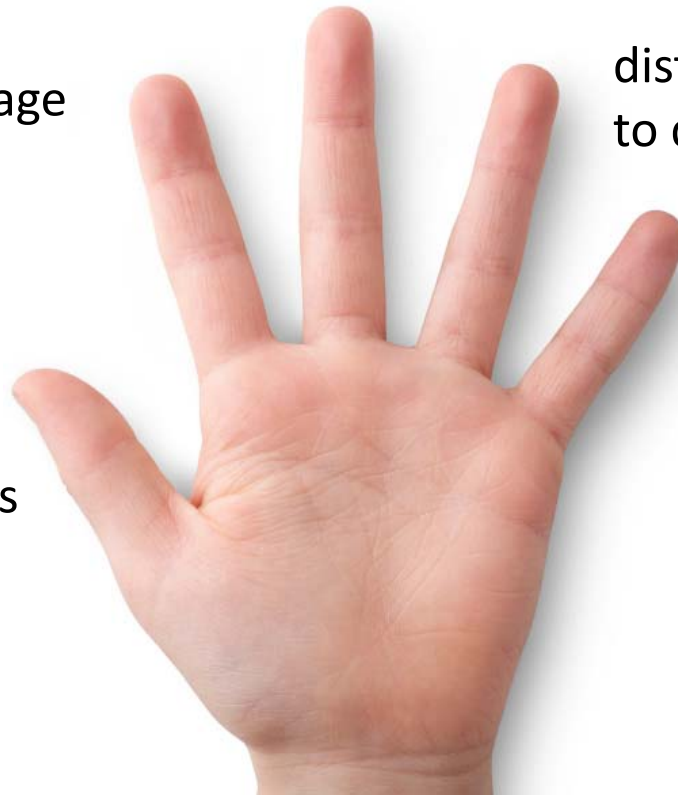
favours certain undertakings or the production of certain goods (selective)

confers an advantage on the recipient

distorts (or has the potential to distort) competition

granted by State or through State resources

impacts (or has the potential to impact) on trade within the EU single market





When does State aid apply?

Most public support (financial or otherwise) to organisations engaged in **economic activity** will be classed as State aid:

- Grants / cash injections
- Subsidised / free services e.g. consultancy, business support, training
- Soft loans and guarantees
- Income foregone by the State e.g. tax breaks, assets sold below market value



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

When is aid not State aid?

The Educational Context



National education

- Public education organised within the national educational system funded and supervised by the State may be considered a non-economic activity
- This is not affected even if parents or pupils have to pay some tuition or enrolment fees which contribute to the operating costs of the system
- Payment of fees does not often meet the full costs of the education and is not then considered to be true payment for a service.

Covers: public education service predominantly funded by The State – vocational training, schools, secondary training in universities and provision of education in universities



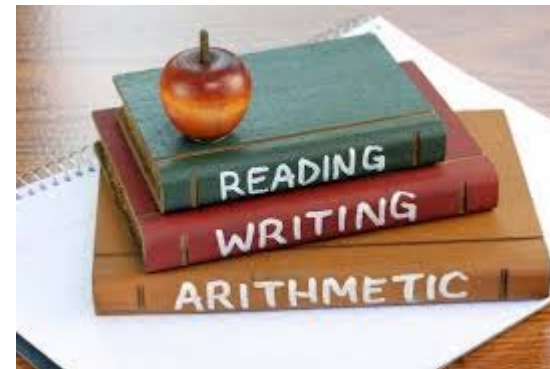


Primary activities of Universities

- Provision of public education for more and better skilled human resources
- Independent R&D to increase knowledge and understanding
- Wide dissemination of results on an open non-discriminatory basis
- Technology Transfer activities

Taking a risk- based approach

Some instances it may be possible to take a risk-based approach





Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

When is aid compatible State aid?



GBER Training aid measures

Eligible costs are as follows:

- trainers' personnel costs, for the hours during which the trainers participate in the training
- trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the training project. Accommodation costs are excluded except for the minimum necessary accommodation costs for trainees' who are workers with disabilities
- costs of advisory services linked to the training project
- trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training.

GBER Training aid measures

Aid intensities:

	Small	Medium	Large
Basic aid intensities	70%	60%	50%
+10% uplift disabled/ disadvantaged workers	70% (max allowed)	70%	60%



GBER Schemes

Welsh Government

SA.39175 – Welsh Government Support for
Training Scheme

WLGA

SA.39576 – Welsh Local Government Support
for Training Scheme



Roles & Responsibilities

Funders

- Ensure that the GBER is applied correctly
- Ensure the correct references are included in scheme documentation
- Meet reporting and transparency requirements
- Recover illegal State aid

Beneficiaries

- Understand the GBER and how it applies
- Provide information for reporting and transparency
- Repay illegal State aid



De minimis

- €200,000 over 3 fiscal years
- Some sector restrictions – fisheries and aquaculture, primary production of agricultural goods, processing and marketing of agriculture products
- Threshold applies at group level
- Firms in difficulty can be supported
- Extra conditions for loans and guarantees
- No part awards of aid



De minimis administration

Two step process

Step 1

Establish how much de minimis the beneficiary has received in the reference period (current and previous two fiscal years)

Make sure this amount plus the State aid you are awarding does not exceed the €200,000 threshold

Step 2

Inform the recipient of the value of the de minimis aid and make reference to the de minimis regulation

Getting it wrong:



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

The implications of unlawful aid



Lawful v Unlawful

Lawful State aid

Public support not considered to be State aid (Article 107.1 of the TFEU)

Public support notified to the Commission in line with Article 107.2 of the TFEU

Public support notified or exempted in line with Article 107.3 of the TFEU

Unlawful State aid

Public support classed as State aid where no exemption has been applied or where it has not been approved through notification

State aid where the requirements of the exemption or notification applied have not been followed correctly

Getting Caught...



- Audit/monitoring exercises
- Press Articles – the Commission scans these
- Complaints – competitors



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

The role of the SAU





State Aid Unit


We can assist with:

- Registering and notifying schemes/projects
- Complaints
- General advice about the State aid regime

We co-ordinate

- The Commission's annual reporting exercise
- The Commission's transparency requirements

Please let us know if you are using an existing GBER scheme



Thank you
Any Questions?

State Aid Unit, Welsh Government