



House of Commons
Welsh Affairs Committee

**Globalisation and its
impact on Wales:
Government Response
to the Committee's
Second Report of
Session 2008-09**

**Fourth Special Report of Session
2008–09**

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The Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for Wales (including relations with the National Assembly for Wales).

Current membership

Dr Hywel Francis MP (*Labour, Aberavon*) (Chairman)
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Publications

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Committee staff

The current staff of the Committee is Dr Sue Griffiths (Clerk), Georgina Holmes-Skelton (Second Clerk), Judy Goodall (Inquiry Manager), Carys Jones (Committee Specialist), Christine Randall (Senior Committee Assistant), Annabel Goddard (Committee Assistant), Tes Stranger (Committee Support Assistant) and Rebecca Jones (Media Officer).

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Fourth Special Report

Introduction

The Committee published its Second Report of Session 2008-09, *Globalisation and its impact on Wales* on 27 January 2009. The Government response was received on 30 April 2009 and is published as the Appendix to this Report

Appendix

The Government's Response to the Report

The House of Commons Welsh Affairs Select Committee published its report 'Globalisation and its impact on Wales' on 12 February 2009. The Government welcomes the Committee's report into this phenomenon and its effect on Wales. This memorandum sets out the Government's response to the report.

No economy in the world can now insulate itself from the effects of the global market, a fact that has been demonstrated by the current economic downturn. Wales is not an exception to this rule and understanding globalisation will help to ensure that its positive aspects can be harnessed to maximise the benefits that globalisation affords.

The Report emphasises the need for continued support for Welsh businesses to access overseas markets, and urges Welsh companies to trade on a strong Welsh identity. Wales has had some success in selling its products in the global market place. Between 1999 and 2008 there was a 68.1 per cent increase in the value of Welsh exports – compared to a 44.5 per cent increase for the UK as a whole. Clearly the economic climate now being experienced will put increasing pressure on exports.

This report is very wide ranging and cross-cutting. In preparing the UK Government response the Wales Office has worked with the following Government departments:

- Department for Innovation, Universities and Skills (DIUS)
- Department for Business and Regulatory Reform (BERR)
- Department for Communities and Local Government (CLG)
- Department for Culture, Media and Sport (DCMS)
- Department for Environment, Food and Rural Affairs (DEFRA)
- Department for Health (DH)
- Home Office

The Welsh Assembly Government was also invited to comment where the conclusions of the Welsh Affairs Committee touched on devolved matters.

The Committee's report is structured around four topics that it has determined will have a particular impact in Wales — Employment and Skills; Food Production and Supply; Broadcasting and the Creative Industries; and Population Movement. The Government response follows this structure.

Employment and Skills

3. Reliable and modernised infrastructure is the foundation of economic success. This includes conventional transport links by road and by rail as well as the digital infrastructure that underlies today's global telecommunications networks. Whilst improvements have been made in recent years, we are concerned that difficulties in some areas may be holding back business growth and investment in Wales. We are currently undertaking a separate inquiry into cross-border transport services, in which we are examining the adequacy of transport links to and from Wales, ensuring that Welsh interests are fully taken into account in the Department for Transport's UK-wide strategies. This will be followed by a new inquiry into digital inclusion. For Wales to prosper from globalisation, the whole Welsh population must have access to the new commercial and personal opportunities afforded by increasingly rapid and innovative forms of global communications. (Paragraph 54)

4. In order for the Welsh economy to be sustained in the years to come, Welsh companies must be supported to access markets overseas. Equally, Wales needs to continue to attract the foreign investment that has provided such a significant contribution to its economy. International Business Wales should play an important part in facilitating both these processes, but we were frankly disappointed by its very modest achievements in China. International Business Wales should have sufficient resources and the professionalism and commercial judgement to carry out its functions effectively. We hope, therefore, that it will closely monitor the quality, competence and level of its staffing in targeted countries to ensure that it is making the most of the opportunities available and that support is available where it is needed. (Paragraph 61)

International Business Wales is an arm of the Welsh Assembly Government. They note that the primary focus of the Welsh Assembly Government's activities with China, delivered by their inward investment and trade organisation, International Business Wales, is currently primarily based on building trade links.

In 2008, Wales' trade with China, Wales' tenth largest export market that year, was £183 million, up from £97 million in 2007. Viewing the position more broadly to include Hong Kong and Taiwan, the trade figure for 2008 was £322 million, up from £189 million in 2007.

There is a network of 19 Trade Advisors throughout Wales who work with Welsh companies to achieve their international trade aspirations. Those advisors, many of whom were recruited from industry for their knowledge, possess a range of International trade skills, including sector and market experience. A number of the team visited China as part of a China-Britain Business Council (CBBC) organised International Trade Advisors (ITA) Educational Delegation aimed at providing them with first-hand knowledge of the business environment in China and where specific opportunities exist for companies from Wales. The advice provided by the advisors is supplemented by UKTI, the team in-market,

contractors or the CBBC. Support embraces, amongst other things, trade missions, the largest of which was organised to Shanghai in November last year, market research and the identification of potential Chinese customers and business partners.

Recognising the potential of the Chinese market, the Welsh Assembly Government helped the CBBC establish an office in Wales, which opened in June 2008. Welsh Assembly Government are working closely with the CBBC to ensure that companies in Wales have the most comprehensive service possible in terms of exploiting the opportunities that exist

As well as exploiting the trade potential offered by Greater China, the Welsh Assembly Government are actively pursuing inward investment from the market. This activity has been undertaken for a number of years in this emerging market and, in the process, has attracted eighteen projects. The largest of these, Axiom Manufacturing owned by South Sea Petroleum of Hong Kong, employs about 200 people in South Wales.

The approach adopted to markets recognises the particular nuances of those markets. In China, the Welsh Assembly Government have focused on providing greater visibility as far as Wales is concerned and on developing long-term relationships. To that end, Welsh Assembly Government have: undertaken Ministerial visits there; have entered into Memoranda of Understanding; and formed alliances with organisations such as COFTEC, CCPIT, Shanghai Fudan University and the CBBC.

The promotion of trade and inward investment remain a key part of the Welsh Assembly Government's economic strategy. There is continual review of the effectiveness of their performance in this respect and regularly assess the potential offered by markets so that resource can be allocated to achieve the best possible return on investment. While the emphasis in China is currently on the development of trade links, it is possible that the emphasis will shift in time as the inward investment environment becomes more vibrant.

5. Skills are the key to maintaining levels of employment in Wales. An increase in higher level skills amongst the Welsh population is the only way in which the nation can compete successfully for jobs against other countries, where lower wages are the norm. During this inquiry, we have found evidence of existing skills gaps. Constantly re-evaluating and increasing skills at every level becomes even more important during an economic downturn. Wales must avoid the trap of a 'low skill equilibrium' and dependence on low skilled, low paid jobs, which are vulnerable to relocation worldwide. In order to do this, the UK and Welsh Assembly Governments must work with the higher education sector to raise the skills base, stimulating the local economy and enabling Wales to compete in a world where high volume, low value production increasingly takes place overseas. (Paragraph 73)

6. We commend the work of higher education institutions in developing research and development hubs in partnership with the Welsh Assembly Government and with business. We consider that this model is likely to contribute significantly to business growth and innovation in Wales, helping the country to face the challenges of globalisation and take advantage of its opportunities. We would also commend the local and global perspectives of Mondragón University in the Basque Country and Xiamen University in China, which we had the opportunity of visiting during the inquiry.

7. In the twenty-first century global economy, universities are the drivers of sustainable employment. As providers of higher level skills, they enable a country to up-skill its population and compete against low wage economies abroad. Links with local businesses allow for the commercialisation of innovative research developments. In addition, universities make a significant direct economic contribution to their locality. In the course of our inquiry, we saw how other countries have harnessed the power of universities for local benefit by employing a ‘hub’ model. This model is beginning to be adopted in Wales, but this is very late in the day and we are concerned to see that the full economic potential of higher education institutions has not yet been recognised by industry or by the Welsh Assembly Government and its bodies or indeed by universities themselves. It is vital that the UK and Welsh Assembly Governments should fully integrate the commercial potential of higher education into their policies in order to avoid being overtaken by other countries, both elsewhere in Europe and beyond. (Paragraph 77)

High level skills underpin economic prosperity across the UK. To compete in future we will need a higher proportion of people with such skills. Higher Education (HE) Institutions can help address local and regional problems. They have an unparalleled record in fostering innovation, enterprise and skills and in helping to create wealth and job opportunities. They work with Regional Development Agencies, Sector Skills Councils and employers to help towns and cities thrive by creating jobs, helping businesses become more competitive and driving economic regeneration.

The Government is committed to using Sector Skills Councils to engage employers in tackling the challenges of skills, productivity and competitiveness across the UK; and they, along with the UK Commission for Employment and Skills are accumulating intelligence and analysis about the skills needs of their sectors to influence the provision of learning at all levels across the UK.

In HE, the Government agrees there is scope for better and earlier sharing of information between the nations. Ministers are looking at how to work together most effectively on cross-border issues; and the four HE funding bodies in the UK are exploring whether they can further improve their support for collaboration between HE Institutions. However, the Government does not see the geographical boundary as a barrier to collaboration between universities who work together across borders and participate in the main HE mission groups to share perspectives and develop approaches.

8. We have been impressed by the range of innovative projects that are taking place in Welsh universities to develop specialist skills and apply them for economic benefit, including forging global partnerships. But we are deeply concerned by the evidence we have received suggesting that Welsh universities are under-funded in relation to higher education institutes in England and Scotland, as well as internationally. We considered this issue in detail in our recent Report on the cross-border provision of higher and further education for Wales. We concluded that policy decisions since devolution have resulted in different priorities in Wales compared to the rest of the UK. Whilst such differences are sometimes a consequence of devolution, we found that higher education institutions in Wales are being disadvantaged at this crucial time. We also found that the higher education sector in Wales receives a smaller share of UK research funding than would be expected from its relative size. We recommended that the Welsh

Assembly Government and the Wales Office should make efforts to address this shortfall in funding, including research funding, and to do so as a matter of urgency (Paragraph 87)

As outlined in our response to the recent report on cross-border provision of higher and further education for Wales, it is the Government's view that devolution was intended to allow administrations to introduce policies which they believe to be in the best interest of their populations and economies. Nothing should detract from that important principle.

The Government's ten year framework provided a clear statement of policy in the area of research:

Public funding of research at a national level, through the Research Councils and funding bodies, is dedicated to supporting excellent research, irrespective of its UK location. The 'excellence principle' is fundamental to safeguarding the international standing and scientific credibility of the UK science and research and supporting an excellent, diverse, expanding and dynamic science base, providing value for money for public investment.

This policy remains firmly in place. The national distribution of research funding reflects the national distribution of research excellence. The Government supports Research Councils in their aim of funding excellent research wherever it is located in the UK. Government policy for research funding is to fund the best research wherever it occurs in the UK, not to aim for a particular national or regional spread of research investment.

The Welsh Assembly Government responded to this issue when it was raised in the recent Report on the cross-border provision of Further/Higher Education. In 2008-09 the Welsh Assembly Government has made available some £451m to HEIs via HEFCW. In addition to this, approximately £346m has been provided via student finance. Taken together, the level of HE institution funding and student finance is on a par with levels in England. Alongside this, there have been opportunities to increase income into Higher Education in Wales through, for example, the EU structural funds process and the Welsh Assembly Government's new Strategic Capital Investment Fund. Both of these were competitive processes, with competing priorities from across the Welsh Assembly Government.

The outcome of the first phase of the Jones Review, and subsequent Welsh Assembly Government action, has created the potential for releasing additional monies into the sector.

Further, the Welsh Assembly Government announced the initiation of a matched fundraising scheme for Wales in January. The Higher Education Funding Council Wales are developing the details of the scheme and it is the intention to implement the scheme in the coming academic year.

In respect of research funding it is a clear priority for the Welsh Assembly Government to strengthen the research base in Wales and this aim forms part of the Terms of Reference of the Jones Review. While ensuring adequate investment is critical, to achieve this aim there is also a need to focus on building excellent research management capacity within Welsh HEIs, strong research strategies (including mechanisms for peer review of all applications submitted) and the clear need for continued and greater collaboration across the sector

(including outside Wales) so that Wales has the scale and critical mass as well as research excellence to compete effectively with the rest of the UK.

9. As skills levels rise in developing countries, it will become increasingly important for Wales to ensure that its population is adequately prepared for the workplace. In addition to degree-level qualifications, literacy, numeracy and interpersonal skills are vital to the Welsh economy, particularly where businesses are trying to provide services in competition with other countries in the international marketplace. We are concerned that there is a shortage of such basic skills in Wales, in common with the rest of the UK. Not only are these directly relevant to the workplace, they also provide the foundation for lifelong learning. Education policy in Wales is the responsibility of the Welsh Assembly Government, but the evidence we have collected in the course of this inquiry suggests that there is a demand for a specific service-related qualification from employers. This could be offered in Welsh schools, or form part of a UK-wide industrial programme such as Investors in People. (Paragraph 92)

10. Many different agencies and partners can be involved in raising basic skills levels among the existing workforce and those seeking work. During this inquiry, we heard of the valuable work of housing associations and other voluntary bodies in this area, which we commend. Adult and community education in Wales are also of great importance. We note that the Welsh Assembly Government has been consulting on a new policy for adult community education and we look forward to seeing the results of this consultation. (Paragraph 93)

11. We agree that the Welsh skills strategy should be informed by international comparisons so as to ensure that Wales is not slipping behind its key competitors in the global economy. (Paragraph 102)

The Welsh Assembly Government's recent skills and employment strategy, Skills That Work for Wales, sets out a comprehensive approach to raising skills levels in Wales. Its basic skills strategy, Words Talk, Numbers Count, provides a detailed programme in respect of literacy and numeracy skills. These strategies provide the basis for a wide range of actions including the specific skills needs of individual employers. This includes provision through the recently-expanded Modern Apprenticeship programme, the new 14-19 work-based learning pathways and the Workforce Development Programme, that provides tailored support to meet the needs of individual employers. In response to the need to engage with the economically inactive and to provide additional basic skills support for learners following vocational courses and in full time learning, short intensive basic skills courses are being piloted with a view to making these available widely if there is evidence of impact. These courses have been developed as a foundation stone for the vocational course in sectors such as construction, retailing, hairdressing and business. Similar courses are being developed for the 14-16 sector in schools.

In terms of the inactive and those accessing education in the community, BSC are funding 3 national support projects aimed at raising awareness on the third sector, signposting learning for jobseekers and providing resources and training for young people at risk.

12. Our inquiry has demonstrated that, for the Welsh economy to grow in the twenty-first century, skills levels must be matched to the needs of business. In order for this to

happen, educators and companies need to work in partnership. Training by colleges and other providers is only effective when it is owned at least partially by the employer and seen as a priority. Equally, the provider needs to be sensitive and responsive to the needs of employers. We welcome efforts to give employers a voice in skills planning, but would also urge them to recognise their responsibility for their existing employees and the benefits of engaging directly in training their own workforce. Umbrella organisations such as the CBI and FSB can play a part in this process. In return, governments on both sides of the border as well as higher and further education institutions have a duty to ensure that they offer a product that is tailored to the needs of the economy. (Paragraph 108)

The UK Commission for Employment and Skills' role is to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society. All of this is in the context of a fast-changing global economy.

Because employers have prime responsibility for improving productivity, the UK Commission is expected to strengthen the employer voice and help provide greater employer influence over the UK's employment and skills systems.

Specifically, the Commission is reporting on future employment and skills needs and trends, for example, the "Working Futures" series which provides projections of employment for the period 2007–17. The latest key findings produced in January 2009 cover:

- Employment growth (2 million additional jobs over the decade – with the need to replace 11.5 million workers leaving the workforce, this means 13.5 million new jobs).
- Growth in the working age population and workforce;
- Growth in most sectors except Primary and Utilities and Manufacturing—although variations exist within both; and
- Increases expected for higher level and service related occupations along with reductions in Skilled Trades, Machine and Transport Operatives, and elementary occupations.

In a similar vein, the Commission also reports annually on UK progress towards becoming world class in employment and skills by 2020. 'Ambition 2020: World Class Skills and jobs for the UK' will be published in May 2009. It will outline existing challenges and the Commission's view of actions required for the employment and skills system to respond to the current difficult economic conditions, lay foundations for recovery and meet the ambitions set out in Lord Leitch's Report 'World Class Skills'.

The Commission is also facilitating a promotional campaign, 'Now is the Time to Invest in Skills', which started in the Autumn of last year and took the form of an open letter signed by business leaders and the chairs of the bodies that represent employers (e.g. CBI, FSB, British Chambers of Commerce, Alliance of Sector Skills Councils, Institute of Directors) and also employees (e.g. TUC). The letter was an exhortation from business to business to invest in and take more responsibility for skills. The letter appeared in national and

regional press in each of the four UK countries. Further activity took place in March 2009, with the Alliance of Sector Skills Councils and the original signatories publishing further open letters to business explaining the “real help” that is available to business in response to the economic downturn.

Sector Skills Councils (SSCs) have built strong working relationships with the four Governments, training providers, bodies which fund training and other important skills stakeholders. They lead on a range of skills issues, including—

- working with employers to identify future skills needs
- developing skills and training solutions
- setting occupational standards
- influencing and shaping the future development of qualifications
- designing apprenticeship frameworks,
- encouraging greater investment in training
- providing labour market information that assists in long-term business planning.

Food Production and Supply

13. In an increasingly global economy, the promotion of ‘brand Wales’, both abroad and at home, can ensure that Welsh food products find a sustainable market. In Wales itself, supermarkets are the major part of the retail market. As such, they have an important part to play in ensuring that local products are the basis of their offering to local people. Access to the local market is an important first step for small businesses that may later grow and develop the ability to export. We are encouraged by the initiatives by retailers we have heard of in this area, but agree with the Competition Commission that more should be done to encourage small Welsh businesses to enter the market. In this context, we broadly support calls for a supermarkets ombudsman to be appointed to ensure that big retailers treat small suppliers fairly. (Paragraph 130)

The Competition Commission is currently engaging with the large grocery retailers to implement its recommendation to establish an independent Ombudsman to oversee a strengthened Groceries Supply Code of Practice. If it cannot get agreement the Government will consider establishing the ombudsman itself. The Government would make any assessment based primarily on what would be in consumers’ best interests.

14. We agree with the President of the National Farmers’ Union Cymru that Welsh lamb is a respected brand and that its Protected Geographical Indication (PGI) status should be used to develop this quality label. We recommend that the UK Government should actively promote PGI for Welsh products in Brussels. We note that cattle and sheep reared in Wales are not always eligible for PGI if slaughter takes place across the border in England. Given the recent closures of Welsh abattoirs, we urge Ministers to change the system so that the benefits of PGI can be preserved for Welsh farmers in future years. (Paragraph 134)

The Government worked closely with colleagues in Wales and with Meat Promotion Wales in securing the Protected Geographical Indication (PGI) status for both Welsh Beef (November 2002) and Welsh Lamb (July 2003). This close co-operation continues as we have regular meetings with our Welsh Assembly Government counterparts that discuss a range of issues relating to the EU protected food name scheme. This includes working together to raise awareness of the scheme and those products enjoying protection under it.

Applications have been made by Meat Promotion Wales to amend the product specification for both Welsh Lamb and Welsh Beef. The European Commission is currently considering these applications.

15. We were extremely impressed by our visit to Mondragón and consider that Wales would benefit from renewing links with the Corporation. Although many Welsh cooperatives were initially inspired by Mondragón through the Wales Co-operative Centre, contact appears to have fallen away over the past 25 years and the cooperative model is not well-established in Welsh agriculture today. Indeed, the evidence we received regrettably indicated some resistance to it within the farming community. We hope that the Mondragón's successful formula will again inspire Welsh businesses, co-operatives, trade unions and community groups to adopt innovative models of co-operation.

16. The food production sector in Wales is characterised by a small business model. We hope that many of these small businesses will grow over time and increase their contribution to the Welsh economy. In order to do this, they will require support not only from the Welsh Assembly Government, but also from the UK Government in terms of fiscal structures and regulatory regimes. We support the use of collaborative and co-operative working patterns as a way of enabling small suppliers to compete with large volume producers and we would encourage the Welsh Assembly Government to make use of the Wales Co-operative Centre as a centre of excellence to drive forward co-operative working. This will allow food production in Wales to exploit the opportunities made available by globalisation whilst retaining its local flavour. (Paragraph 150)

The Government agrees.

17. The public procurement market has great potential to source more products from small, local producers. In order for this to happen, local authorities need to simplify their procurement processes to help small businesses take advantage of the opportunities in this market. We consider that it is essential to develop a strategic framework in order to support and enable producers of food and drink in Wales to bid for public sector contracts, and we fully support the Welsh Assembly Government in its development of a local sourcing action plan. A particular focus needs to be on engaging small businesses in public sector procurement processes, which will help them to build skills and capacity. The Wales Co-operative Centre already runs some training courses in the business and legal aspects of food supply, which could be replicated more widely. (Paragraph 156)

The Welsh Assembly Government, through Value Wales, facilitates a food procurement group aimed at identifying opportunities for Wales based companies in the Public Sector

food supply chain. The group is comprised of representatives from the NHS Local Government and Education sectors and has mapped out the supply chains in key food categories such as meat and dairy products and assisted in the production of the guide to sustainable food procurement Food for Thought.

The Group is currently exploring areas for further collaborative work and is finalising a pan Welsh Public Sector contract for food hygiene auditing.

The work undertaken in this area by Value Wales is overseen by the Business Procurement Task Force (BPTF), chaired by the Welsh Assembly Government Minister for Finance and Public Services Delivery. The Task Force was established in 2004, with membership drawn from Chambers of Commerce, Wales CBI, FSB Wales, Wales TUC, Third Sector, Academia and the Public Sector

The Terms of Reference for the BPTF are: 'To take a strategic and crosscutting approach to matching development of the Welsh economy to the commercial needs of the public sector, thereby maximising the potential to deliver an economic benefit from public sector expenditure, and deliver greater value for money.'

The Welsh Public Sector spends approximately £4.5 billion per annum on external goods and services and it is estimated that every additional 1% increase in spend with Welsh companies could result in an additional 2,000 jobs in Wales.

The Task Force has overseen a number of initiatives, including:

1 Improving Public Sector engagement with Small to Medium Size Enterprises (SMEs)

All major Public Sector organisations have signed up to 'Opening Doors—the Charter for SME Friendly Procurement', which was promoted to the SME community across Wales via a roadshow. Other research conducted the same time indicated that Wales based companies were winning 35% of Public Sector Business; more recent research suggests that this has risen to 49%. A second survey of SMEs in 2006 also indicated that the Public Sector in Wales was making good on some of the key commitments in the Charter such as simplifying processes and paying bills on time. A refreshed Charter along with implementation has been launched, retaining the core principles of the Charter while at the same time clarifying its applicability to Third Sector organisations / Supported Businesses and providing practical help on putting the principles into practice.

The Task Force has also commissioned further research into the barriers faced by SMEs with emerging findings suggesting that two key commitments within the 'Opening Doors' Charter need wider adoption i.e. standardisation of the pre-qualification process and greater visibility for SMEs of public sector opportunities below the European threshold.

2 Piloting the use of Community Benefits / Social Clauses in Construction Contracts

The Task Force has overseen 3 successful pilots of this approach to getting economically inactive people back into work as part of Public Sector construction contracts. Research commissioned indicates that if this was adopted across the whole of the Public Sector in

Wales, 2,000 jobs could be created for economically inactive people in Wales as well as bringing other economic and social benefits.

A sub group of the Task Force has taken this forward by preparing a step by step guide for procurers and running workshops to illustrate how this can be done and the help available through the Welsh Assembly Government and partners such as JobCentre Plus. A programme of projects, to which this methodology can be applied, has been compiled and support is being provided to these projects.

In addition to the above Value Wales has been working with the ‘Inform to Involve (i2i)’ project on taking the methodology to another level by making training a core part of contracts for the refurbishment of social housing. A toolkit has been assembled and is currently being rolled out to Registered Social Landlords in Wales. The approach not only centres on getting economically inactive people into work through the main contract but also ensures a similar approach applies throughout the supply chain.

3 Identifying “Supply Voids” in Public Sector procurement

A group has been set up by the Task Force called the Welsh Initiative for Procurement Partnerships (WIPP) to consider the data and research gathered to establish areas of spend within the Public Sector, which are currently going outside of Wales. The objective is to identify these areas of opportunity to Welsh SMEs, Third Sector Organisations and Supported Businesses in order that they can compete for and win the Business.

The Welsh Assembly Government is offering support to Welsh companies (via DE&T) so that they can skill up to meet these challenges. This works links into the development of the all-Wales Sourcing Plan for collaborative procurement across the Welsh Public Sector and a member of DE&T sits on the Sourcing Plan Steering Group.

A supply void methodology has been developed by Value Wales in conjunction with DE&T’s Manufacturing Advisory Service (MAS) and is being piloted in the Heads of the Valleys area. This methodology uses the latest spend data and sourcing information to match public sector spend with local suppliers, thus opening up opportunities for Welsh SMEs to compete

18. We welcome recent educational partnerships aimed at raising the profile of graduate-level opportunities in the Welsh food and drink industry. We note that the new courses are the first of their kind in the UK and are pleased to see that Wales is building on its strengths as a producer of quality produce. Strong local brands and premium products, which cannot be replicated elsewhere, are Wales’s main asset in the increasingly global economy. In order to support business growth in this sector, a robust skills base will be needed, along with initiatives aimed at supporting and developing small businesses. (Paragraph 160)

Please refer to the response provided for paragraph 9.

Broadcasting and the creative industries

19. We welcome the important work recently completed by the National Assembly for Wales Broadcasting Committee on the future of public service broadcasting in Wales.

We note the Broadcasting Committee’s acknowledgement that “the UK parliament is clearly the most appropriate place for debates on the wider economic regulation of the broadcasting industry” and that the Welsh Affairs Committee has the potential to play a greater role in the future of broadcasting policy in Wales. We also note their recommendation that the National Assembly should create a standing committee on communications. This is a matter for the Assembly itself to decide. However, we would welcome the opportunity to pursue further discussions with the National Assembly for Wales on arrangements for the scrutiny of broadcasting policy. (Paragraph 172)

The Government supports co-operation and discussion between Members of Parliament and Members of the National Assembly for Wales.

20. The lack of clarity over the territorial extent of a document such as Creative Britain: New Talents for the New Economy does little to assist the effective provision of support to the creative industries in Wales and in the UK more widely. We urge the Department for Culture, Media and Sport as the lead Whitehall department in the field of the creative industries to work more closely in the future with the Welsh Assembly Government. Policy documents should emerge from consultation with relevant Welsh bodies and should specifically set out how UK-wide strategies will apply to Wales. This will help ensure that both administrations are able to coordinate policies so that the creative industries in Wales are sufficiently equipped to face the challenges and opportunities posed by globalisation. (Paragraph 175)

The Government recognises that the territorial extent of Creative Britain: New Talents for a New Economy was not as clear as perhaps it should have been. As always DCMS looks forward to working closely with the Welsh Assembly Government on all issues relating to the Creative Industries, be they devolved or reserved, with the ambition of giving the best possible support to creative industries in the UK.

21. Where powers over a field of policy are shared by the Welsh Assembly Government and the UK Government, it is crucial that clarity is established on the allocation of roles and responsibilities, while recognising that it is sometimes difficult to split functions. We believe that the joint working required by devolution can be a great strength rather than a weakness. Good relationships need to be maintained across Whitehall at all levels as well as between the National Assembly for Wales and the House of Commons. We note a welcome increase in engagement on the part of Ministers from the Welsh Assembly Government in recent months. This should be reflected by Ministers and officials across Whitehall. (Paragraph 176)

The Government agrees that good relationships between Whitehall and Welsh Assembly Government Departments are key to the strength of devolution. Wales Office officials actively engage with policy officials and Bill teams from across Whitehall. The Wales Office is working on an outreach programme which will strengthen the communication of policy development that will affect Wales. The Wales Office is also involved in the Cabinet Office led programme to strengthen communication between the devolved administrations and Whitehall. These improved links will ensure that the devolution implications for Wales will be considered at the earliest stage.

22. We do not believe that the adoption of a ‘neutral’ brand identity is a recipe for success in the global broadcasting markets. Our evidence suggests the reverse: that a strong local identity is a good foundation for success in the world. Broadcasting and the creative industries in Wales should draw on local strengths in order to prosper in the global economy. (Paragraph 179)

23. We congratulate S4C on its success in engaging with the Welsh Diaspora by means of innovative methods such as providing services via satellite TV, online and through Internet Protocol Television. We consider that BBC Wales and ITV Wales could learn from this example. (Paragraph 180)

24. Whilst Welsh language programming has been internationally recognised for its range and quality, English language broadcasting in Wales is not currently adequately reflective of Welsh identity. In large part, this is because Wales does not have a strong enough voice within the UK’s major media institutions. During our inquiry, the BBC and ITV reiterated their commitment to commissioning and producing programmes in Wales. We hope to see the results of this commitment in high quality programmes which are reflective of the range of different Welsh interests. (Paragraph 187)

25. There have been calls to establish a broadcasting commission for Wales, in particular, to examine the future of public service broadcasting in the country. Both the Welsh Assembly Government and the National Assembly for Wales have considered establishing such a body. Should they decide to do so, its precise form and remit would be a matter for them to decide. However, broadcasting is not a devolved matter and we would urge any new commission, if one were to be established, to work closely with counterparts across the UK to ensure that a co-ordinated approach is taken towards the similar problems now facing public service broadcasters in all four nations, as well as in the English regions. (Paragraph 193)

The Government agrees.

26. The creative industries in Wales are operating from a low base as far as exports are concerned, yet globalisation has opened up more overseas markets than ever before. We are encouraged by the individual successes we have heard about, including BBC and S4C television programmes as well as the innovative research conducted by Canolfan Bedwyr. However, if Welsh companies are to increase their presence on the international stage they will need support to develop the business capacity of their enterprises in addition to the creative excellence that is their core role. We were told of a number of promising initiatives aimed at supporting Welsh companies to exploit their global potential, but we would urge government to ensure that the potential of the creative industries is understood in the broadest sense of the term. Policy must not be developed in such a way as to focus solely on traditional visual and audio media. (Paragraph 199)

The Government is committed to supporting all parts of the Creative Industries, regardless of their particular sector or medium, to help them address their particular challenges and maximise their productivity.

27. Within the creative industries, as elsewhere, the provision of training needs to take account of changing economic demands. Higher level skills are increasingly important

if Wales is to compete in the global marketplace, but courses must be relevant to the needs of business. We have found evidence to suggest that there is currently a mismatch between the courses on offer and those required for economic development. We urge governments to work together with training providers to ensure that funding is aligned with the sector's priorities. (Paragraph 204)

Please refer to the response provided for paragraph 9

28. Universities have a vital part to play in ensuring that the Welsh economy can meet the challenges of globalisation. Increasingly, higher education institutions function as 'hubs' for the creative industries, facilitating knowledge transfer for innovation and raising skill and productivity levels. We welcome the global reach of Welsh universities and colleges. Collaboration of this kind provides opportunities to share expertise and good practice across geographic boundaries, which can in turn be applied for economic benefit. (Paragraph 209)

29. We urge DCMS and Ofcom to work together to ensure universal access to BBC Radio Wales and BBC Radio Cymru on DAB digital radio across Wales. (Paragraph 212)

The Government is committed to the principle of universal access for all of the BBC's radio services in our consideration of digital radio migration. We will continue to work with the BBC and the wider radio sector to ensure that where ever possible listeners in Wales continue to have access to radio services, including BBC Radio Wales and BBC Radio Cymru, either digitally or through a continuation of the analogue broadcasts.

30. For both economic and social reasons, no-one in Wales should be left out of the digital revolution. This is why we have launched a new inquiry into digital inclusion in Wales, scheduled to begin shortly. We welcome the recent publication of the UK Government's Digital Action Plan by Rt Hon Paul Murphy MP, Secretary of State for Wales. We look forward to scrutinising this document and presenting our recommendations for further action. (Paragraph 216)

31. We support the Welsh Assembly Government's Strategy for the Creative Industries and are pleased to have heard of some early success stories. We hope that the Welsh Assembly Government will continue to build on this initiative and ensure that its benefit is spread as widely as possible across the creative industries in Wales. Initiatives such as the Creative IP Fund are to be commended and would have an even greater impact if their work dovetailed into a wider framework across the UK as a whole. As intellectual property is not a devolved matter, the UK Government should work closely with the Welsh Assembly Government to ensure that the UK-wide regulation of intellectual property is fit for the demands of the modern, global economy, particularly in the field of the creative industries. (Paragraph 222)

The importance of the copyright system to the future success of our creative industries is clear. The recent growth in digital technology has brought both challenges and opportunities. It is important that our copyright system keeps pace.

Recognising this, the UK Government launched work to develop a new copyright strategy for the 21st century in December 2008 (<http://www.ipo.gov.uk/pro-types/pro-copy/c->

policy/c-policy-consultation.htm). The first stage of this work has been a wide ranging programme of engagement with creative businesses, consumers and other interested parties. This debate will continue over the next few months and the UK Government looks forward to working with the Welsh Assembly Government and the other devolved administrations.

32. Small businesses are perhaps the most innovative parts of the Welsh economy. However, their small size means that they need a greater degree of support if they are to access the new global markets. The models we have examined in the course of this inquiry suggest that companies are more likely to prosper when they come together as creative clusters, providing mutual support and expertise. The creation of a focus for the industry allows public funds to be targeted more effectively and assists companies in developing an international presence. (Paragraph 226)

Population movement

33. Different parts of Wales have at different times experienced large population movements, including for example the inward migration of Italian and Irish workers into the docks and mines of South Wales in particular and the movement of people from North Wales to the South Wales mining valleys and to docks areas, especially Cardiff. Such changes have been part of the history of Wales since the nineteenth century. These flows sometimes peaked for a short time, as was the case in Cardiff in particular during the late 1980s and early 1990s when there was a period of reunion of refugee families affected by the civil war in Somaliland. (Paragraph 233)

34. The period during which we took evidence on population change and mobility coincided with a significant increase in the number of people entering Wales as migrant workers from the 2004 European Union accession countries (the 'A8'). The evidence we received reflected this experience and this section of the Report therefore focuses on the way in which Wales responded to this recent phenomenon of globalisation. We recognise, however, that immigrant communities have had a presence in Wales for many generations and have made a huge economic and cultural contribution to the nation. The concerns of these settled Welsh communities deserve separate consideration, but fall outside the scope of the evidence we took during this inquiry. (Paragraph 234)

35. We recognise the great economic benefit that migrant workers can bring to Wales, but are concerned that this should not have a disproportionate effect on the economic stability of migrant workers' home countries. We commend the work of the Welsh Assembly Government in building healthcare partnerships with developing countries to reduce the impact of the loss of health workers from these countries. (Paragraph 243)

36. Our evidence has demonstrated that migrant workers have experienced difficulties in gaining recognition for overseas qualifications. In a global market with an increasingly mobile workforce, people who trained abroad must be enabled to make full use of their skills to benefit the Welsh economy. We recommend that the Sector Skills Councils work with the relevant government departments to ensure the appropriate recognition of overseas qualifications or their translation into Wales or

UK equivalents. It is important that an objective verification is applied to ensure that overseas qualifications and experience translate into the quality of service expected in the UK and that there is an English language test to ensure that the skills can be properly applied. (Paragraph 245)

The Government has put in place UK-wide legislation to implement a European Directive (2005/36/EC) on the recognition of professional qualifications. This Directive makes it easier for professionals to move around Europe and work in other Member States, by removing unnecessary bureaucratic barriers to registration with the appropriate regulatory body for the profession concerned. Where the incoming EEA migrant's qualifications fall short of the minimum standard required, the regulator can require them to undertake a 'compensation measure' to make up the shortfall. In the UK, the Directive covers a wide range of professions such as: teacher in state schools; physiotherapist; social worker; farrier; driving instructor and Chartered titles for engineers and accountants. Information about the Directive and the list of UK professions and regulators can be found at www.europeopen.org.uk

It is accepted that applicants for recognition of their professional qualifications should have adequate language competence. However, testing that competence is outside the terms of the Directive: the prospective employer can check such skills.

In those cases where in the UK there is no regulation concerning qualifications attached to a profession, advice about how overseas qualifications fit into the UK system can be obtained, by the migrant, from UK NARIC—the National Agency for information and advice on vocational, professional and academic qualifications.

The Government also supports a new European initiative: the European Qualifications Framework (EQF). EQF has the potential to improve the recognition of skills throughout Europe, allowing national qualifications to be translated more effectively between different countries. Work is currently underway to reference the qualification frameworks in the UK to the EQF. The Welsh Assembly Government is involved in this work.

37. Language skills are a vital element of training for migrant workers. The ability to speak the local languages with a degree of fluency is vital not only for employment reasons, but also to improve social cohesion. Many migrants entering Wales may have some familiarity with the English language, but our evidence suggested that it was often inadequate, and few have knowledge of Welsh. This may be a considerable disadvantage, particularly in rural areas or in industries such as care and nursing. There is a need to improve the provision of English and Welsh language tuition at specific times and in specific geographical regions in order to respond to peaks of inward migration such as that caused by migrant workers during 2007. Local authorities do not always have the resources to meet these specific additional demands and we recommend that the Welsh Assembly Government considers providing assistance in such circumstances via short term targeted additional funding. (Paragraph 248)

The newly created Migration Impact Fund will provide an extra £1.727m to the Welsh Assembly Government in 2009/2010. Subject to a review in the autumn of the economic position and the migrant fees being received a similar amount can be expected in

2010/2011. In developing proposals for the use of the fund the Welsh Assembly Government is keen to ensure that the money will be used in a way which will leave a sustainable legacy beyond the life of the fund. Proposals are currently being developed which will enable as wide as possible engagement from statutory stakeholders and voluntary organisations. The intention is to advocate investment in projects and services which will help us to deliver on community cohesion and social inclusion. This could include projects which would seek to provide additional ESOL (English for Speakers of Other Languages) and WSOL (Welsh for Speakers of Other Languages) classes.

In 2006, the Welsh Assembly Government restructured the way Welsh for Adults was planned and delivered nationally in order to increase the numbers of Welsh language speakers. A commitment was made to establish six Welsh for Adults Centres to be responsible for working in partnership with other providers such as local authorities to plan strategically for the development and delivery of targeted learning opportunities for people wishing to improve their linguistic skills in Welsh. This includes the planning and delivering of targeted provision for migrant workers and asylum seekers. The Welsh Assembly Government funds the provision through the Welsh for Adults Centres.

The need for Welsh language provision for migrant workers is more pronounced in areas where Welsh is spoken as a community language, mainly in north-west and south-west Wales. In 2007-09, both the North Wales Welsh for Adults Centre at Bangor and the South-West Welsh for Adults Centre at Swansea piloted Welsh taster courses for migrant workers from Poland who wish to use their Welsh at work. However, both these centres have recently highlighted the fact that the demand trend for this provision appears to be in decline as a consequence of the impact of the recession.

The Glamorgan Welsh for Adults Centre at Pontypridd specializes in offering bespoke provision in the workplace and has recently been commissioned by the Royal College of Nurses to offer Welsh language taster courses for Filipino nurses so as to enable them to communicate with patients and staff in Welsh.

ESOL is identified alongside literacy and numeracy as a part of the responsibility of the basic skills strategy. Within the basic skills strategy funding has been made available to increase the numbers of teachers qualified to teach language, literacy and numeracy. This has resulted in a significant increase in the numbers of qualified staff. ESOL needs vary greatly across Wales and over time but the growth in need has increases the imperative to plan strategically. To this end an ESOL national advisory group has been established to identify priorities within the sector and to plan a support programme for practitioners as well as to increase the focus on training and providing professional development for teachers and supporters of ESOL.

38. No migrant workers should experience exploitation, no matter the industry in which they are employed. At present, our evidence suggests that the resources devoted to preventing and addressing exploitation are insufficient. The Gangmasters Licensing Authority has only a limited remit and is poorly resourced, whilst local authorities are already struggling with other priorities. We recommend that the remit of the Gangmasters Licensing Authority is extended to include additional industries and that it is provided with appropriate additional resources for this larger remit. (Paragraph 252)

The Government strongly agrees that vulnerable workers, whether migrant or otherwise, should not be subject to exploitation. That is why we established the Gangmasters Licensing Authority in 2004 to operate a licensing scheme of labour providers in the agricultural, food processing and shellfish collecting areas. There is general agreement that the GLA has been effective in clamping down on illegal working practices of rogue employers in these sectors, and that for a small organisation it “punches above its weight”.

We think it is fair to say that all enforcement agencies would like more resources to do the job. The GLA currently receives around £1.4 million grant in aid to operate the licensing scheme and to ensure that licensed labour providers comply with the conditions of their licences. Defra also provides the GLA with around £2.2 million a year to enforce the criminal offences established by the Gangmasters (Licensing) Act 2004. Additional funding is provided by the Department for Agriculture and Rural Development in Northern Ireland for enforcement there.

Defra is currently considering a bid by the GLA for more funding to cope with increased activities as a result of the impact of the recession and employers unfairly taking advantage of workers to maintain profit margins, in particular, to cover the cost of additional enforcement officers. However, Defra has to balance the funding of competing priorities from a finite level of resources at its disposal.

The GLA’s enforcement effort is directed at those areas which the GLA’s intelligence suggests represent the greatest risk. This approach ensures that the GLA makes efficient and effective use of the resources at its disposal. The enforcement effort of the GLA is complemented by a wide range of activities undertaken by other Government agencies to enforce other legislation which impinge upon the activities of gangmasters

Collectively, the criminal sanctions and resources available to the GLA and other enforcement agencies represent a significant weapon with which to tackle the activities of gangmasters and other employers who exploit their workers and act illegally

Government has no current plans to extend the scope of the Gangmasters (Licensing) Act 2004. The scope of the 2004 Act was limited to shellfish gathering and the food chain as the problem of illegal labour providers was thought to be most prevalent in these sectors. Employment agencies and other labour providers operating outside the GLA sectors are already subject to employment agency legislation, which is enforced by the Employment Agency Standards Inspectorate (EASI)

The case for extending the scope of licensing was recently looked at by the Vulnerable Workers Forum chaired by Pat McFadden, Minister for Employment Relations at BERR. The Forum concluded that there is no consensus for such an extension. Instead the Government has announced that it intends to build a significantly higher profile for the EAS amongst agency workers and agencies themselves. This involves;

- Doubling the number of EASI inspectors by July 2008
- Implementing a campaign to promote the awareness of EASI

- Closer working between EASI and GLA to share information about non-compliant or suspect businesses operating across their respective areas; and to share information about labour providers moving out of the licensed sector into those regulated by EASI

39. The housing demand associated with an increase in economic migration after the accession of the A8 states to the European Union compounded an existing shortage of affordable housing in Wales. Local authorities must take a central role in strategic planning for housing and they must receive appropriate support from central government to respond to short term additional demands for housing. (Paragraph 259)

The Welsh Assembly Government is actively engaged in supporting Local Authorities in their strategic function of meeting the shortage of affordable housing.

The *One Wales* agreement commits the Welsh Assembly Government to providing an additional 6,500 affordable homes by 2011.

There is a suite of mechanisms to assist the development of affordable housing, involving the use of publicly owned land and the prioritisation of sites, central government funding through Social Housing Grant (SHG) and the Strategic Capital Investment Fund (SCIF), through the Planning System (section 106 agreements) and the development of Local Authority Affordable Housing Delivery Statements.

The Welsh Assembly Government is providing £322 million via the SHG programme to assist the delivery of additional affordable housing for rent or low cost home ownership

Through the SCIF an additional £42 million has been secured over three years to provide additional affordable housing schemes. It will take advantage of securing new properties and land, bringing with it the added benefits of helping maintain employment in the building industry. SCIF can be used to purchase unsold completed properties built by developers, partially completed properties or for the purchase of land that can be developed for affordable housing.

The Welsh Assembly Government wants to see publicly-owned land released more easily for the development of affordable housing. A number of sites have been identified through the Welsh Assembly Government Land Release protocol across Wales for a fast-track disposal to Housing Associations to assist in meeting the target of 6,500 extra homes and to boost the construction industry during the housing market downturn.

40. Increased population mobility is a feature of globalisation. This means that levels of migration into Wales from other countries will continue to vary. We have found no evidence to suggest that the arrival of migrant workers has posed a threat to local services. In fact, migration overall represents a sizeable economic boost for Wales. However, migrant workers do have particular needs which must be supported, including the provision of information about services and employment rights and the translation of documents and services into languages other than Welsh and English. Equally, in areas which have experienced high levels of inward migration in a short period, the increased demand for services can be challenging for local authorities to meet. We consider that there is a pressing need for improved methods of data collection concerning the numbers of migrants in particular areas and their likely period of residence in order to inform decision-making and planning for additional

pressure on local services. Greater sharing of information between employers, agencies and public service providers is also required. This will be of continued importance in future years as the ongoing integration of national economies into the global market encourages even greater population mobility. Leaving local services with inadequate funding to cope with demand leads to a poorer service for local communities and can also negatively affect community cohesion. (Paragraph 261)

Please refer to the response provided for paragraph 42.

41. The recent report on Issues Affecting Migrant Workers from the Equality of Opportunity Committee of the National Assembly for Wales has called for an employers' code of practice focusing on reduction of exploitative practices. We consider that any such code could usefully include a commitment by employers and employment agencies to encourage social cohesion and help workers integrate into the local community (Paragraph 267)

The Government is committed to ensuring that migrant workers who are here to work and contribute do not become vulnerable to exploitation. We are committed to ensuring that all employees have the same protection and that all employers play by the rules and do not seek to undermine UK employment law. Legal migrant workers have the same employment rights and recourses as their UK equivalents. The Government has created a fair framework of employment rights including the right to a minimum wage, a right to 24 days paid leave—being increased to 28 days from April 2009—and the right not to be forced to work more than 48 hours a week.

In addition, the Government established the Vulnerable Worker Enforcement Forum in June 2007, chaired by the Minister for Employment Relations, to look into the nature and extent of abuse of worker rights, assess the adequacy of the enforcement framework and identify possible improvements. The Forum concluded its work in August 2008.

Following the work of the Forum, the Government is undertaking a programme of work to ensure that all workers, including migrant workers, have access to their rights and that they are properly enforced. Key measures include:

- a sustained, three year, Government-led campaign to raise vulnerable worker awareness of basic employment rights and encourage the reporting of workplace abuses. The campaign will include promotion of a single enforcement helpline; significantly more publicity for the Employment Agency Standards Inspectorate; more awareness-raising work for migrant workers, an enhanced basic rights section on www.direct.gov, and publicity for the new national minimum wage (NMW) penalties and fair arrears provisions. Phase 1 started in early February 2009 with a £1million campaign to raise agency workers' awareness of their rights and promote the Employment Agency Standards Inspectorate through posters in hot-spot areas, online activity, press articles, and direct marketing to all 13,000 employment agencies;
- establishment of a single enforcement and compliance helpline through which vulnerable workers will be able to report abuses and access information and advice about the rights enforced by government. This will significantly simplify and streamline the current position where there are six separate helplines. The new service will be operational this year;

- action to tackle the legal information-sharing barriers that, for some of the enforcement bodies, prevent inspectors passing information to each other. This will enable better targeting of the worst employers;
- significantly more face to face contact with advice bodies, community groups and local authorities to raise awareness of the NMW, employment agency standards and other basic rights, and build local contacts for intelligence about non-compliant employers;
- a Fair Employment Enforcement Board chaired by the Employment Relations Minister bringing together the enforcement bodies and external stakeholders to drive forward these improvements; and
- a third round of the Union Modernisation Fund (UMF) to be run with a new focus on protecting vulnerable workers.

The Government has also strengthened enforcement of basic employment rights through the Employment Act 2008. The Act introduces stronger penalties for non-compliance with the National Minimum Wage, and improves protections for agency workers by making infringements of employment agency regulations indictable, so that they can be tried in a Crown Court where tougher penalties are available and cases can be brought by the enforcement body without a witness. Recent revisions to the Employment Agency Conduct Regulations also give agency workers a right to withdraw from services provided—such as transport—without suffering detriment.

We have also taken steps to raise migrant worker awareness of workplace rights, both prior to their arrival and once they are in the UK. It is particularly important to reach workers in the host country before they leave as it is often much harder to help workers, who may not speak English and have no accommodation arranged, once they arrive. We have offered to work with the Governments of all the new Member States, to prepare bi-lingual ‘know before you go’ leaflets aimed at ensuring potential migrants are aware of their rights and responsibilities both before they leave their own country and on arrival in the UK. To date we have produced leaflets in partnership with the Polish, Lithuanian and Romanian governments and benefited from input from the TUC, the CBI and other stakeholders. They have been distributed widely in both the workers’ home country and the UK. For example, in Poland they have been publicised on television and our Embassy and the Polish authorities have worked hard to distribute them via job centres, recruitment fairs and other channels.

The Government has also heavily publicised the national minimum wage, and has specifically put together information to ensure that migrant workers are aware of their entitlement to the national minimum wage and know where to go for advice. A specific awareness raising campaign targeting Polish, Lithuanian and Slovakian workers through outreach work, posters and online activity took place in 2008. This included pages on directgov in Polish, Lithuanian and Slovakian. There are also guidance leaflets available in a range of languages. In addition Accession country (A8 and A2) workers required to register under the Home Office's Worker Registration Scheme receive a basic Know Your Rights leaflet.

42. In recent years, Wales has benefited from an inward flow of migrants, many of them highly skilled. It has also made efforts to raise skill levels within the existing population, as discussed in the first section of this Report. In order to ensure that the Welsh economy exploits these resources to the full, the UK Government, the Welsh Assembly Government and local government in Wales will need to co-ordinate their activities more closely, enabling sound strategic planning for local services in response to varying levels of inward and outward migration, and providing a ladder of opportunity for incoming migrants, as well as the existing population, to raise their skills and contribute to the country's prosperity. (Paragraph 270)

United Kingdom Borders Agency representatives have met with counterparts in the Welsh Assembly Government and discussed the findings of the Welsh Affairs Committee report. The Welsh Assembly Government has said they will work closely with UKBA and local councils to evaluate the recommendations that have been formulated.