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# Policy statement on skills



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## Audience

All bodies concerned with post-19 education and training in Wales, including employers and their representative bodies; further education colleges; work-based learning providers; higher education institutions; trade unions; Jobcentre Plus; Careers Wales and Awarding Organisations.

## Overview

This policy statement on skills has been drafted to inform future action in relation to post-19 skills and employment policy. The statement provides the basis for future policy action over a 10-year horizon. The key aim of the statement is to support Wales to evolve into a highly-skilled nation and to create the conditions which allow businesses in Wales to grow and flourish.

## Action required

No further action is required. This policy statement will be followed by a consultation on co-investment and supported by an implementation plan.

## Further information

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## Additional copies

This document can be accessed from the Welsh Government's website at [www.wales.gov.uk/educationandskills](http://www.wales.gov.uk/educationandskills)

## Related documents

*Review of Qualifications for 14 to 19-year-olds in Wales* (Welsh Government, 2012); *Policy statement on higher education* (Welsh Government, 2013); *Post-16 planning and funding review: final report* (Welsh Government, 2013).

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# Introduction

Skills have a major impact on both the economic and social well-being of Wales as a substantial policy area devolved to the Welsh Government. Together with policy action to support the employability of individuals, skills provide a strong lever for tackling poverty and strengthening the creation of jobs and growth. A key aim of this statement is to create the right conditions for employers in Wales to grow and flourish.

Like all other nations, we cannot afford to ignore the fact that we are part of a global race to develop our skills. It is these skills that will define our future competitiveness and support Wales to evolve into a highly-skilled nation capable of raising productivity, reducing barriers into work and supporting people into employment. To achieve this future vision we must recognise the major policy challenges facing us over the next decade and agree on the action needed to affect change in the long term.

The aim of this policy statement is to make that case for change, and define a new set of principles under which we believe the skills system will need to operate in order to guarantee its ongoing resilience.

Given the context of scarce resources, it is imperative that we are able to assess how collective interventions, in conjunction with other key delivery and funding mechanisms such as European funding, can best be enabled and steered in order to deliver a sustainable skills system for Wales.

## Defining the skills system in Wales

This policy statement focuses exclusively on our post-19 skills interventions and defines those activities that provide the skills needed for employment (i.e. for those individuals looking for work) as well as those skills that are needed to enhance someone's employment and support businesses (i.e. the skills of the workforce).

The remit of the statement is the post-19 element of further education, higher education<sup>1</sup>, work-based learning, elements of adult community learning, the post-19 commitments of our Youth engagement and progression framework<sup>2</sup> and future employment and skills support for employers and individuals. It is important that we break down the existing budgetary and programme silos to enable us to take a whole-system view of our policy actions on skills.

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<sup>1</sup> This area is already covered by our recent *Policy statement on higher education* (Welsh Government, 2013).

<sup>2</sup> *Youth engagement and progression framework* (Welsh Government, 2013).

## Wider implications of the statement

The linkage to, and impact of, the pre-19 education and training agenda is of key importance to the success of our interventions post-19. We recognise that our definition of the skills system in Wales cannot operate in isolation from other parts of Wales' education and training sector, given the continuum that exists for individuals to learn throughout their life. As a result of this connection there are elements of this statement that offer a direct bearing on other education and training policy areas pre-19. These relate to three broad areas:

### Literacy and numeracy skills

This statement describes policy actions to support the literacy and numeracy skills of adult learners. We expect that our National Literacy and Numeracy Programmes for Wales, as well as our focus on reducing the impact of deprivation on educational improvement, will reduce the need over time for additional intervention in supporting adult learners. It is important in the longer term that all individuals completing compulsory and post-compulsory education possess the literacy and numeracy skills required to enter the world of work or progress into further learning.

### Qualifications and curriculum pre-19

Our *Review of Qualifications for 14 to 19-year-olds in Wales* aimed to ensure that we have qualifications that are understood, valued and that meet the needs of our young people and the Welsh economy. The development of Initial and Continuing Vocational Education and Training qualifications (IVETs and CVETs) is directly relevant in terms of how such qualifications are used in support of adult vocational learning and the future job prospects of individuals.

### Higher-level skills

This statement recognises the changing requirement for skills over the next decade and the increased focus this will place on developing higher levels of skills if Wales is to continue to compete internationally for future jobs. We anticipate that this upward pressure on skills levels should be supported by the longer-term aspiration of ensuring that, by the age of 19, a greater proportion of individuals should have either achieved, or should be in the process of achieving, a learning outcome at Level 3<sup>3</sup>.

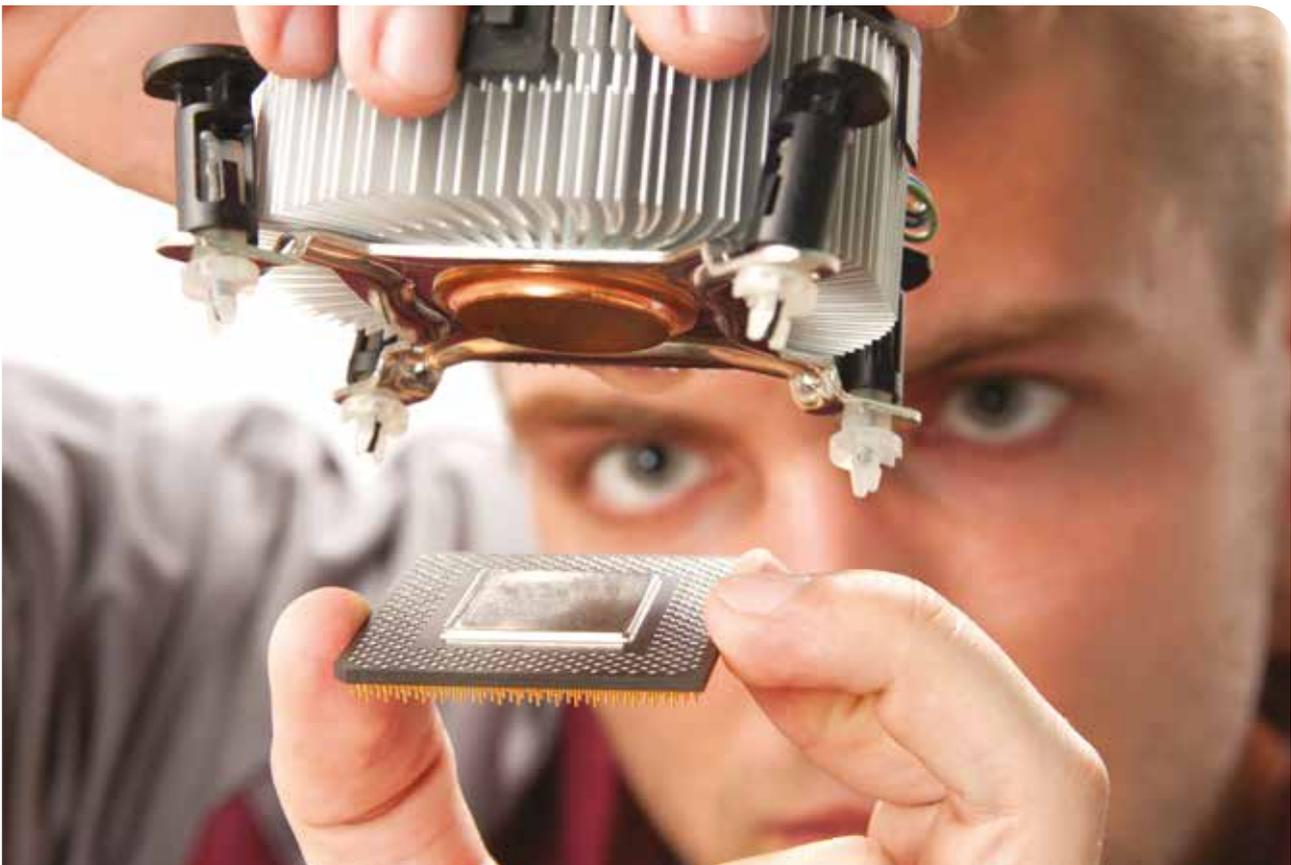
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<sup>3</sup> Each regulated qualification has a level between Entry Level and Level 8. Qualifications at the same level are a similar level of demand or difficulty. An overview of these can be found at [www.ofqual.gov.uk/help-and-advice/comparing-qualifications/](http://www.ofqual.gov.uk/help-and-advice/comparing-qualifications/)

The statement builds on a number of key areas of policy development with a direct relationship to the skills system across the Welsh Government including, for example, support for older workers<sup>4</sup> and the role skills can play in tackling poverty<sup>5</sup>. Of significant interest is how this statement aligns with the existing and future support for the Welsh economy and the ongoing policy work to shape an Economic Framework for Investment led by the Department for Economy, Science and Transport<sup>6</sup>.

## Delivering our plans

We are developing a series of outcome measures for the long term that will underpin this statement. Performance indicators will be published alongside our implementation plan in July 2014. The implementation plan will also set out further detail on our key policy actions and will be underpinned by a detailed financial appraisal. We will consult on those policy actions that describe our future approach to co-investment with employers and individuals. This will enable us to obtain full input to how these principles will be implemented prior to publishing our implementation plan.



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<sup>4</sup> Our *Strategy for Older People in Wales 2013-2023* (Welsh Government, 2013) focuses on ensuring that older people in Wales have the resources they need to deal with the challenges and opportunities they face.

<sup>5</sup> Our *Tackling Poverty Action Plan 2012-2016* (Welsh Government, 2012) sets out what we are doing to build resilient communities and to help prevent and reduce poverty in Wales.

<sup>6</sup> *Economic Framework for Investment: Discussion Paper* (Council for Economic Renewal, 2013).  
[www.wales.gov.uk/docs/det/policy/131007item4a.doc](http://www.wales.gov.uk/docs/det/policy/131007item4a.doc)

## Structure of the statement

The structure of this policy statement reflects its overall purpose in providing the long-term and strategic view of how the skills system in Wales will need to evolve over the next decade.

The statement covers four priority areas for the Welsh Government:

### **Skills for jobs and growth**

Focuses on how Wales can stimulate demand for a more highly-skilled society that can drive forward our economy in the pursuit of jobs and growth.

### **Skills that respond to local needs**

Describes how Wales must develop a skills system which reflects the needs of local communities, including providing a streamlined and accessible employment and skills offer for both individuals and employers.

### **Skills that employers value**

Recognises the importance of engaging employers to participate in the skills system and describes the level of co-investment needed alongside government if Wales is to remain competitive.

### **Skills for employment**

Explores the role of the skills system in providing the employment support necessary to assist individuals into employment and to progress in work, both of which are central to our tackling poverty agenda in Wales.

Within each section, the statement defines both current and future policy actions required to address major challenges facing Wales. This statement defines how the Welsh Government, working with all our key stakeholders, can most effectively prioritise and deliver future responses to affect long-term change.

## Skills for jobs and growth

Wales needs to develop an approach to skills that stimulates demand for a more highly-skilled society and that drives the economy in the pursuit of jobs and growth.

### The challenge

By 2020 Wales is expected to have undergone a restructuring of its skills base. In line with international trends, these changes will see an increase in the proportion of people in employment with high-level skills alongside a decline in the proportion of people in employment with low or no skills<sup>7</sup>. This upward shift presents a real opportunity for Wales in developing the high-quality jobs of the future and in moving people into higher-paid employment. Despite record levels of employment growth in Wales, the outlook to 2020 in terms of our productivity and employment levels remains challenging when compared to the UK average<sup>8</sup>. These conditions mean that capitalising upon changes to our skills profile will clearly test the resilience of our skills system, particularly as we continue to compete within a widening global market to develop our skills base.

To anticipate the skills required for future jobs we must also consider how our approach to skills aligns itself with the underlying conditions of the economy. It is essential that we can tap into opportunities to grow the demand for skills. This will require us to strengthen the linkages with major infrastructure projects, inward investors and high-value export opportunities, as well as the supply chains that support them, for example as part of City Regions and Enterprise Zones. This also includes delivering the maximum benefits to Wales by linking with public procurement initiatives in order to promote skills development, for example as part of our Wales Infrastructure Investment Plan, and exploring further ways of recognising those employers who are investing in the skills of their workforce.

We know that 59 per cent of firms in Wales reported to have provided training over a 12-month period<sup>9</sup>. Despite this commitment to training there remains a proportion of firms that are not regularly investing in the skills of their employees and this figure is falling short of other UK nations. In certain industries a range of measures have been introduced to incentivise employers to increase their investment in training. An example of this is the creation of employer networks, which have the potential to give rise to spin-off benefits that impact positively upon innovation and productivity as a result of information exchange, knowledge transfer and the sharing of good practice<sup>10</sup>.

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<sup>7</sup> *Working Futures 2010-2020: Summary report for Wales* (UK Commission for Employment and Skills, 2012); figure 4: Profile of employment by level of highest qualification held, Wales, 2000 to 2020.

<sup>8</sup> *Working Futures 2010-2020: Summary report for Wales* (UK Commission for Employment and Skills, 2012); table 1: Overall employment and output change in the UK and constituent nations.

<sup>9</sup> *Employer Skills Survey 2011: Wales Results* (UK Commission for Employment and Skills, 2012); section 6.4: The volume of staff trained and the quantity of training provided (training days).

<sup>10</sup> *Understanding Employer Networks* (UK Commission for Employment and Skills, 2013).

## Actions we are taking now

In response to these challenges, current actions include the following.

- Since 2008 we have continued to strengthen joint delivery arrangements in the further and higher education sectors. We have invested in programmes, such as the University of the Heads of the Valleys, which are delivering a blend of vocational and academic routes, working closely with individuals, employers and the local community to shape provision.
- Our *Policy statement on higher education* highlights the importance of collaboration between higher and further education in order to maximise progression opportunities. The statement also makes clear our commitment to widen access to all by offering a blend of full- and part-time provision at varying levels, including continuing professional development. These changes are backed by the legislative improvements we will be making through the Higher Education (Wales) Bill.
- An additional £20 million per annum has been committed to support apprenticeship training up until 2016. This is allowing a range of Higher Apprenticeships to be delivered in Wales, particularly for frameworks associated with Science, Technology, Engineering and Maths (STEM) subjects. Since 2001 we have driven forward foundation degrees as an additional route into higher-level skills development.
- We are conducting a Welsh Language Skills Survey aimed at understanding current and future Welsh language skills needs among Welsh businesses as well as exploring employer views on the use of Welsh in the workplace. This includes levels of Welsh language skills needs, proficiency, recruitment, training, and the awareness and impacts of legislation, such as the Welsh Language (Wales) Measure 2011.



## Our actions for the future

To develop skills for jobs and growth the focus of our future policy actions will be to:

**Extend and prioritise those learning opportunities that allow individuals to develop higher-level skills at all levels and, in doing so, raise the value of vocational education and training as a route into higher learning.**

In taking forward this action we will seek to:

- use evidence from our Review of Higher Education Funding and Student Finance Arrangements in Wales<sup>11</sup>, and destination information as part of the new Planning and Funding Framework for post-16 learning<sup>12</sup>, to determine the rate of intervention, or level of underwriting by government, for learning at Level 4 and above for both academic and vocational pathways, including apprenticeships
- work with employers to clarify the options that are available to individuals wishing to progress into higher-level learning while ensuring that our values of promoting social mobility and widening access are supported.

**Recognise those employers who are taking action on skills and, where possible, harness the wider benefits of procurement in promoting skills development, such as through social clauses where these are relevant and proportionate to the contract.**

In taking forward this action we will seek to:

- explore the benefits of a refocused Employer Pledge in recognising those organisations and supply chains who are investing in the skills of their workforce
- introduce a flexible fund targeted at the recruitment and skills needs of strategically important companies.

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<sup>11</sup> The Review of Higher Education Funding and Student Finance Arrangements in Wales was announced in November 2013 by the Minister for Education and Skills and will be led by Professor Sir Ian Diamond.

<sup>12</sup> In October 2013 we issued the *Guide to the post-16 planning and funding framework*. This describes the move to programmes as the basis for planning and funding post-16 learning, making the link between funding, outcomes and destinations easier to determine and helping learners to make more informed choices.

**Create the conditions for networks of employers to come forward to collectively address their skills requirements, and potentially make use of our devolved powers in future to support any legal or other relevant frameworks required to pursue industry-wide action on skills.**

In taking forward this action we will seek to:

- build upon the existing Sector Priorities Fund approach to deliver more employer-responsive skills provision, including support for networks of employers to take collective action on skills
- explore the legal and other relevant frameworks to underpin collective action by industries, such as levy arrangements, within the scope of our devolved powers and subject to clear commitment and leadership from employers.



## Skills that respond to local needs

Wales must develop a skills system that is effective at delivering joined-up employment and skills support which reflects the needs of local communities and can work seamlessly alongside national support programmes.

### The challenge

With nearly two thirds of skills gaps affecting business performance, and smaller businesses likely to lose work due to skills gaps<sup>13</sup>, there is a clear motivation to work with employers to support their training needs. We know that skills gaps and shortages vary by sector and the size of the business affected, with the density of skills-shortage vacancies being more significant for micro businesses, for example. However, existing skills and employment programmes aimed at reducing skills gaps vary in terms of their overall profile and use by either individuals or employers<sup>14</sup>.

Wales has some stark differences in the density of skills-shortage vacancies being experienced locally, most notably in terms of the size and sector profile of businesses operating within each locality<sup>15</sup>. The availability of more localised delivery arrangements offers the benefit of greater critical mass as well as a shared sense of priorities at local level<sup>16</sup>. Such an approach links strongly with the delivery of future European funding<sup>17</sup>. As the case put forward for City Regions demonstrates, these gains are therefore capable of generating significant growth and wealth creation opportunities<sup>18</sup>.

It is also important that we raise the overall quality of services delivered as well as developing a workforce of practitioners capable of delivering the high-quality innovative services required by individuals and employers. We need to focus on the developments in e-learning and use of ICT in delivering distance learning represented, for example, by Massive Online Open Courses (MOOCs).

Finally, the perceived lack of relevance of training provided remains the highest rated barrier for employers not accessing various provision<sup>19</sup>. It is important that providers can develop the expertise in sharing information on local employer needs to ensure that it informs the content of provision and is of high quality.

<sup>13</sup> *Employer Skills Survey 2011: Wales Report* (UK Commission for Employment and Skills, 2012); see sections 4.8, 4.10, 5.3 and 5.4.

<sup>14</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); table 4.8: Skills schemes and initiatives in Wales.

<sup>15</sup> *Employer Skills Survey 2011: Wales Report* (UK Commission for Employment and Skills, 2012); table 4.7: Incidence, volume and density skill-shortage vacancies.

<sup>16</sup> *Breaking Out of Policy Silos* (Organisation for Economic Co-operation and Development, 2010).

<sup>17</sup> *Investing in Growth and Jobs: An Independent Review of Arrangements for Implementation of European Structural Funds Programmes 2014 - 2020* (Dr Graham Guilford, Welsh European Funding Office, 2013).

<sup>18</sup> *City Regions Final Report* (Advisory Group Chaired by Dr Elizabeth Haywood, July 2012).

<sup>19</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); figure 4.3: Reasons for and barriers to using different types of training provider.



## Actions we are taking now

In response to these challenges, current actions include the following.

- We have published a ‘footprint’ for future employment and skills delivery which gives strategic direction on the future fit between national, regional and local levels of support, reducing the potential for duplication and competition. From 2014, all projects supported by European funding will be tested against their ability to contribute towards the opportunities outlined within the Economic Prioritisation Framework.
- In 2011 we established Coleg Cymraeg Cenedlaethol which, by 2012, had launched its first academic plan to create a confident bilingual Wales. Our Welsh-medium Education Strategy<sup>20</sup>, launched in April 2010, sets out how we intend to strengthen Welsh-medium provision and highlights the importance of effective progression pathways for learners into Welsh-medium higher education and training.
- To support our *Policy statement on higher education*, we established an expert working group to examine the potential for online digital learning and how the Welsh Government can support the higher education sector in this growing field. This has provided valuable evidence for strengthening the use of digital learning within other forms of education and training.
- Our Learning and Skills Observatory includes a wealth of skills intelligence as well as national-level blended reports designed to complement providers’ knowledge and experience of the local labour market. In August 2011 we established the Labour Market Intelligence (LMI) Project to encourage greater use of skills intelligence to shape decisions on the supply of provision.

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<sup>20</sup> *Welsh-medium Education Strategy* (Welsh Government, 2010).

## Our actions for the future

To support the development of skills that are locally responsive, the focus of our future policy actions will be to:

### **Integrate and streamline our employment and skills support to make it simpler for both individuals and employers to access.**

In taking forward this action we will seek to:

- implement a more simplified and streamlined model of employment and skills delivery that will avoid the issues of duplication and competition experienced across the current programme landscape
- introduce a Skills Gateway which will provide a new single engagement, assessment and referral service for individuals and employers wishing to access skills support, aligned with broader government support available to employers across Wales, for example via Business Wales.

### **Stimulate demand for employment and skills support by providing the flexibility to develop responses based upon local and regional need.**

In taking forward this action we will seek to:

- work with regional consortia in order to respond to the skills needs of individuals and employers at local level and to capitalise on regional labour market opportunities, such as Next Generation Broadband or rail electrification, through strong joint working
- use our credit frameworks in allowing the new Initial and Continuing Vocational Education and Training qualifications (IVETs and CVETs) to be used flexibly to respond to local skills requirements.

### **Develop a culture of innovation and high-quality provision in the delivery of skills and employment support to individuals and employers.**

In taking forward this action we will seek to:

- strengthen registration and professional standards for teachers and assessors in order to help secure high levels of quality and performance that keep pace with employer requirements
- develop performance measures for our programmes based on destinations and outcomes so that individuals and employers can make informed choices about the services they access.

## Skills that employers value

Wales must continue to engage employers to ensure that they are positioned as active participants throughout the development and delivery of training programmes and that this role is reflected in the level of co-investment taking place alongside government.

### The challenge

Wales has a strong commitment to vocational qualifications with the proportion of establishments providing training towards a National Vocational Qualification being the highest among all the UK nations<sup>21</sup>. The proportion of employers who strongly agree that vocational qualifications are flexible and deliver value for money is also higher for Wales<sup>22</sup>. Our Review of Qualifications<sup>23</sup> endorses this outlook and has made recommendations regarding the relevance, value and rigour being applied to any qualifications receiving public funding as well as the important role of employers in the qualifications system. We are aware of the structural and policy changes proposed for England<sup>24</sup> that will impact upon the Welsh qualifications system and our work with employers, particularly in the case of Welsh-medium vocational qualifications and the portability of qualifications.

Raising the supply of skills alone does not automatically result in changes to workplace productivity. It is the application of these skills that is important in supporting employers to move to a higher point on the value chain. Levels of High Performance Working (HPW)<sup>25</sup> are also heavily linked to export-led or highly innovative products and more flexible working practices<sup>26</sup>.

Wales, like the rest of the UK, is constrained by lower levels of management and leadership skills compared to our competitor countries<sup>27</sup> and this highlights a further challenge. The skills system must go beyond supply issues to support employers to become better-informed consumers who are capable of fully utilising the skills of their workforce by strengthening leadership and management capabilities and applying HPW practices.

Finally, the skills system must develop a stronger culture of co-investment between government, employers and individuals across **all** available funding sources, thereby acting as a lever to increase the overall levels of investment in skills and to drive up the demand and quality of provision in the longer term.

<sup>21</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); table 5.1: Incidence of NVQ/SVQ training by country.

<sup>22</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); table 5.2: Changing perceptions of VQs by country.

<sup>23</sup> *Review of Qualifications for 14 to 19-year-olds in Wales: Final report and recommendations* (Welsh Government, 2012).

<sup>24</sup> For example, *Future of Apprenticeships in England: Next Steps* from the Richard Review (March 2013).

<sup>25</sup> The Employer Skills Survey defines high performance working practices as working practices deliberately introduced to improve organisational performance that maximise employee commitment and skills use.

<sup>26</sup> *Management Matters: Key Findings from the UKCES Surveys* (UK Commission for Employment and Skills, 2013); p.9.

<sup>27</sup> *Management Matters: Key Findings from the UKCES Surveys* (UK Commission for Employment and Skills, 2013).



## Actions we are taking now

In response to these challenges, current actions include the following.

- We are working with other nations across the UK to support the development of National Occupational Standards as well as ensuring vocational qualifications are developed consistently. This is supplemented by our Welsh-medium Qualifications Support Programme which enables Awarding Organisations to offer their qualifications in Welsh at the same cost to candidates as the English qualifications.
- In May 2013 we updated our Guidance for the Specification of Apprenticeship Standards for Wales<sup>28</sup> which sets out the minimum requirements for a recognised Welsh Apprenticeship framework. We will ensure that only high-quality apprenticeship programmes are delivered and that these both equip individuals with the skills they need for successful careers and equip employers with the skilled workforce needed to help them compete and grow.
- Following the *Review of Qualifications for 14 to 19-year-olds in Wales* in 2012, new practices are being introduced to ensure pre-19 qualifications are relevant, valued and understood from the learner's perspective. We broadly accepted the Review's recommendations, thus setting a clear strategic direction and vision for qualifications for 14 to 19-year-olds in Wales. These recommendations have a direct bearing as the new IVET and CVET qualifications are applicable to adult vocational learning.
- Our Work-based learning programme has operated an approach to flexible learning which shares the delivery costs relating to elements of an apprenticeship framework equally between employers and government. We extended this principle under our Sector Priorities Fund which has delivered projects underpinned by a cash contribution from employers ranging from 30 to 50 per cent depending on the size of firm and learning outcome.

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<sup>28</sup> This version of SASW replaces the version issued in August 2012.

## Our actions for the future

To engage employers to recognise the value of skills and invest in their workforce the focus of our future policy actions will be to:

**Continue to work with employers in managing the development and review of National Occupational Standards (NOS) as the basis for adult vocational qualifications and Apprenticeship Frameworks, and ensure that these standards align with the skills individuals need for future employment and career progression.**

In taking forward this action we will seek to:

- introduce a series of Sector Qualifications Advisory Panels, using existing sector body expertise, to provide the gatekeeping process as defined within the Review of Qualifications in order to provide advice on qualifications and NOS activity as well as prioritising the most relevant and valued vocational qualifications
- provide the mechanisms for recognising competence through the new IVET and CVET qualifications, including via the Accreditation of Prior Learning, and explore the role of Qualifications Wales in supporting adult vocational qualifications to be developed where a potential market failure may exist, such as in areas of low demand.

**Enable employers to fully utilise the skills of their workforce by embedding High Performance Working (HPW) practices which strengthen leadership and management skills.**

In taking forward this action we will seek to:

- develop an accreditation process that acknowledges HPW practices, either as part of existing standards, such as Investors in People, or via a refocused Employer Pledge
- use our Skills Gateway to support employers to identify and take action on the skills of their workforce, for example highlighting the potential business benefits associated with Welsh language skills.

**Support employers to recognise the value of the skills across their workforce and underpin this cultural shift with a clear set of principles for cost sharing alongside government.**

In taking forward this action we will seek to:

- continue to provide full support for apprenticeship starts at Level 3 and below for those individuals under 25
- implement new funding principles based upon a nominal contribution of up to 50 per cent from government in supporting employers to invest in accredited training for their employees, following consultation in 2014 and further financial analysis.



## Skills for employment

Wales must develop a skills system that can provide the employment support necessary to assist individuals into employment while supplying the tools to enable individuals to take responsibility for improving the value of their skills within the economy.

### The challenge

The nature of employment has changed over recent decades with skills and work experience having evolved to become a fundamental requirement for a larger proportion of jobs within the economy. Beyond a lack of applicants, just under a third of employers rate an absence of work experience as being a major barrier for those young people (defined as those up to age 24) seeking to enter employment<sup>29</sup>.

Early evidence suggests that the UK Government's Work Programme does not currently seem to be effective in Wales at providing the levels of support individuals need for employment<sup>30</sup>. This is despite employers in Wales being more likely to have offered work placements than the UK average<sup>31</sup> and suggests that an opportunity exists to broaden the scope and availability of work experience in Wales. We need to ensure that our employment support actively assists individuals seeking to enter the world of work.

Not all individuals are in a position whereby they can recognise the value of skills within the labour market. Such individuals are at risk of facing in-work poverty or of reducing their mobility within the labour market. For example, we know that low skills are more prevalent in part-time jobs and, with those working part-time less likely to be beneficiaries of support programmes offered by their employer<sup>32</sup>, a challenge exists to do more to lift the skills of low skilled part-time workers. The skills system will need to provide targeted support for groups of individuals who are restricted in their ability to improve the value of their skills.

If the skills individuals possess do not continue to evolve with the economy, or are not fully utilised during their time in employment, they are at risk of seeing their skills devalue over time. This risk has the potential to restrict the opportunities available to them to progress into more highly-skilled jobs, or remain in, or return to, employment. The skills system, working with employers, must provide the information and tools necessary to motivate individuals to invest in their own skills development, particularly as society ages and the retention of skills becomes increasingly important.

<sup>29</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); fig 6.4: Benefits of and barriers to taking on young people: summary.

<sup>30</sup> *Work Programme statistical summary* (Department for Work and Pensions, 2013); table 2.15 and based on figures from between June 2011 and March 2013.

<sup>31</sup> *Employer Perspectives Survey 2012* (UK Commission for Employment and Skills, 2012); table A.13: Whether had anyone on a work placement – provides a breakdown of those establishments offering work placements by size and sector.

<sup>32</sup> *Skills and the Quality of Work in Wales, 2006-2012* (Wales Institute of Social & Economic Research, Data & Methods, 2013); chapter 3: Broad Skills.

## Actions we are taking now

In response to these challenges, current actions include the following.

- We have established Jobs Growth Wales to support young people to access job opportunities and to provide the valuable work experience needed to break down barriers into employment. This is underpinned by our new Youth engagement and progression framework, launched in October 2013, which ensures that young people up to the age of 24 are supported through education and training whatever their intended destination.
- In April 2013 we transferred the work of Careers Wales into public ownership. This marked the beginning of a more joined-up, refreshed and revitalised careers service for Wales designed to deliver a personalised approach to careers information advice and guidance. While the focus of Careers Wales is predominantly on those services for the pre-19 age group, it offers a wealth of careers information that spans all ages.
- In November 2013 we announced a wide-ranging Review of Higher Education Funding and Student Finance Arrangements in Wales led by Professor Sir Ian Diamond. The review will focus on a range of issues including the promotion of social mobility and widening access to higher education, the funding of higher education, full-time and part-time tuition fees policy, student finance arrangements, cross-border HE funding policy and the Higher Education Funding Council Wales' role in the delivery of student finance.
- Through our work with trade unions we have invested over £13 million since 1999 to support individuals and employers to maximise their engagement with learning as part of the Wales Union Learning Fund (WULF), an important mechanism for providing basic literacy, numeracy and ICT skills within the employed workforce.



## Our actions for the future

To provide the skills needed for employment, and support individuals to progress in the labour market, the focus of our future policy actions will be to:

### **Assist individuals who are looking for work to have access to appropriate employment support programmes within Wales.**

In taking forward this action we will seek to:

- simplify access to the employment and skills support available in order to ensure that jobseekers in Wales have access to the widest range of opportunities
- focus our interventions on a work first principle so that, where possible, individuals have access to work experience and job placement schemes, building on the success of Jobs Growth Wales, and ensuring such support does not overlap with those programmes offered by the UK Government<sup>33</sup>.

### **Provide individuals with access to the information they need to improve their skills as well as preventing vulnerable individuals from dropping out of the workforce.**

In taking forward this action we will seek to:

- ensure our Skills Gateway provides learning and skills information to all individuals via a single point of access, working with the voluntary sector and other specialist organisations to ensure that individuals with, for example, disabilities or special educational needs, are supported in accessing employment opportunities
- use findings from our Review of Higher Education Funding and Student Finance Arrangements in Wales to explore what further support could be provided to enable individuals to invest in their own skills development.

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<sup>33</sup> For example, the provision will seek to dovetail with the offer of support for Essential Skills made available through UK Government programmes.

**Support individuals to improve their Essential Skills<sup>34</sup> so that they are best placed to access work opportunities or progress while in employment.**

In taking forward this action we will seek to:

- establish Level 2 Essential Skills as the aspiration for the majority of adults without an appropriate level of qualification, and refocus the Employer Pledge to ensure employers recognise Essential Skills as a critical element of their workforce
- underpin our focus on Essential Skills at Level 2 with innovative and cost effective delivery models that build upon the non-formal learning of the Wales Union Learning Fund, and use ICT and other methods to embed Essential Skills as part of mainstream vocational training programmes.



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<sup>34</sup> Essential Skills is a suite of three different skills qualifications: Communication, Application of Number and Information Communication Technology (ICT).