



National Learning and Skills Assessment Update

Statements of priorities for change - 2007-2010

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National Learning and Skills Assessment Update

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- National and local bodies in Wales concerned with education, training and skills in Wales.
- Overview** This document is the National Learning and Skills Assessment for 2007 and will inform the National Planning and Funding allocations from August 2008.
- Action required** No action required. For information only.
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- Related documents** National Learning and Skills Assessment 2007: Priority Setting
National Planning and Funding System National Planning Framework 2007
The National Learning and Skills Assessment - May 2006
Regional Statement of Needs and Priorities South East Wales 2006
Regional Statement of Needs and Priorities South West Wales 2006
Regional Statement of Needs and Priorities Mid Wales 2006
Regional Statement of Needs and Priorities North Wales 2006

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Executive Summary

This is the second National Learning and Skills Assessment (NLSA) to be produced by the Department of Children, Education, Lifelong Learning and Skills (DCELLS) of the Welsh Assembly Government (WAG). It highlights strategic *priorities for change* for post-16 learning and education (excluding higher education¹), that are to be supported by the WAG and its learning providers.

Three clusters have been identified for the national *priorities for change*:

- **Generic Skills.** This covers those areas and skills that individuals need to perform well in employment
- **Skills required for key employment sectors.** This includes those sectors where it is anticipated that a further growth of skilled labour is required
- **Skills to achieve national policy priorities.** This includes key policy areas where it is felt that the learning and skills market does not appear to be moving quickly enough.

*Within the **generic skills cluster**, the national **priorities for change** are:*

- To increase provision and support for those requiring **Basic Skills and ESOL** support
- To realise a significant increase in delivery of the **ITQ** competence based qualification, to deliver higher level user skills, and to pilot and evaluate the use of the e-skills Passport system
- To increase support for, and the volume of **Customer Service NVQ programmes** and related courses delivered to selected sectors, and
- To improve the relevance, appropriateness, reach and impact of the **Management and Leadership** training available.

*Within the **skills for employment cluster**, the **priorities for change** are:*

- To increase the number of workers within the **Early Years** and children's services sector with appropriate level skills, and
- To support the skills and training needs of the **"Built Environment"**.

¹ All future references to post-16 education and training exclude Higher Education

Within the **national policy cluster**, the **priorities for change** are:

- To develop access to the learning entitlement envisaged in **Learning Pathways 14-19**
- To develop, support and implement **Welsh-Medium/Bilingual Learning and Welsh for Adults Learning**, and
- To work with key stakeholders to provide viable and sustainable routes into employment for the **Economically Inactive**.

Operating alongside the national *priorities for change* are the regionally determined priorities that reflect each region's more unique characteristics and learning requirements.

By region these are:

North Wales

- Ensure the learning infrastructure and the provision of learning is adequate to meet current and future needs of the **Tourism and Hospitality** sectors, and
- Ensure the provision of learning is planned to respond to the effects of **Nuclear Decommissioning at Wylfa** and supports the regeneration efforts of the Môn and Menai initiative.

Mid Wales

- Support the needs of **Agri related Food Production and Processing Sectors**,
- Ensure the funding being made available via the **Decommissioning of Trawsfynydd Nuclear Power Station** is maximised effectively, to increase the opportunities available to learners,
- Increase the training available in the **Outdoor Pursuits** sector to fulfil the potential for an internationally renowned leisure destination, and
- Contribute to the **Development of Aberystwyth as a Regional Centre** by addressing identified skills needs.

South East Wales

- Increase higher level training provision in **communication and technology skills**
- Support the **regeneration of the Heads of the Valleys area** by providing relevant learning and employability training that will enable local people to access jobs and support the growth of a new economy
- Respond to the skills challenges presented by **large City-Region developments**
- Respond to the skills challenges presented by the planned **Defence Training Academy** at St Athan, and
- Ensure the continued sustainability of the **Rise Five Counties Learning Network** across the former Greater Gwent area.

South West Wales

- Provide targeted support for training in the **Social Care** sector, and
- Through collaboration and joint working, develop learning responses to meet individual and community needs identified in the **Wales Spatial Plan and Local Regeneration Strategies**.

Underpinning all of the above is a collaboration agenda. In order to achieve DCELLS' objectives outlined in this document and elsewhere, the WAG, its partners and providers will need to collaborate more effectively to ensure maximum benefit for learners, and to develop a learning infrastructure of the highest quality that is ready to meet the needs of the 21st century.

DCELLS' expectations of the provider network as a catalyst for change are high and there is an expectation that all learning providers will:

- Be committed to a programme of continuous improvement
- Ensure that its provision reflects identified *priorities for change* that relate to its client base, and the needs of its own stakeholders, particularly local employers
- Strive to improve quality at all times that results in increased effectiveness of providers

- Work with local and national employers to ensure that provision is responsive to their needs
- Work together on key agendas such as reconfiguration, collaboration and effectiveness, and
- Work with the WAG, at national and local level, to ensure accountability for public funding.

Purpose of the National Learning and Skills Assessment

This is the second National Learning and Skills Assessment (NLSA) to be produced by the Department of Children, Education, Lifelong Learning and Skills (DCELLS) of the Welsh Assembly Government (WAG). It is a key component of the WAG National Planning and Funding System (NPFS) Planning Framework for 2007.

The NPFS Planning Framework is designed to highlight strategic *priorities for change* for post-16 learning and education (excluding higher education) to be supported by the WAG and its learning providers. These priorities for change focus on the learning and skills areas where the evidence base suggests that change is necessary and where intervention can make a difference in improving the learning and skills base in Wales.

This document outlines the *priorities for change* for the period 2007-10. There have been refinements to the wording of the *priorities for change* established in 2006 and three new national priorities have been added. There are a few additions to regional priorities, but overall there is a reduction in the total number of priorities at the regional level compared to 2006. These changes reflect the stakeholder response to the 2007 NLSA consultation exercise and the extensive research and intelligence gathering activities undertaken during the preparation of this document.

Where available, supply side information relating to identified national *priorities for change* has been included for information and future benchmarking purposes. Also included, is an electronic link to over 40 insight reports that underpin this document. The insight reports contain details of sector specific learning requirements and issues and they have been informed by the Sector Skills Councils where appropriate. Learning providers may find these reports useful when reviewing their own sector specific provision and/or curriculum development plans. Key facts and figures relating to Wales' demography, social and economic condition are attached at Annex 1.

A "Forward Look" has been added to highlight emerging policy issues and developments that whilst not fully articulated at the time of publication, will nevertheless impact the NPFS planning framework and future planning requirements as we move forward.

Essentially this document forms the launch pad for the 2007 NPFS planning cycle, communicating the refined and updated *priorities for change* 2007-2010 that will be used to inform the 2007 WAG budget planning round and funding allocations to learning providers from the start of the 2008-09 funding year. It also provides a strategic steer that should inform the future strategic planning and provision development decisions made by all providers of post-16 learning and education in Wales.

Process

In 2006 the then Department for Education, Lifelong Learning and Skills (DELLS) consulted upon its national and regional *priorities for change*. These were produced in the 2006 NLSA and in each of the four Regional Statement of Needs and Priorities (RSNP) reports.

The 2006 NLSA identified *priorities for change*. They represented the areas of intervention that the then DELLS believed that providers needed to respond to across Wales. These priorities are already having an impact upon planning and funding decisions for the academic year 2007/2008.

Following the publication of the 2006 NLSA, the four regional offices within DELLS, produced their respective RSNP. Each RSNP included the six national *priorities for change* plus a number of regionally determined priorities that reflected the region's more unique characteristics and learning requirements.

For 2007, DCELLS will not be producing an updated NLSA and four separate RSNPs; rather we are producing this single Statement of Priorities, which combines the national and regional *priorities for change*. This enhancement will improve upon previous arrangements by maximising the use of research evidence, and reducing duplication.

The three year analysis and recommendations within the 2006 NLSA remain valid and for this reason the volume of information provided in 2006 is not reproduced in this Statement of Priorities. We have, nevertheless, undertaken during the interim period a thorough review of the learning and skills challenges facing Wales. A series of market insight papers have been produced to inform the updating and refinement of the national and regional priorities in this document and they can be found at <http://new.wales.gov.uk/topics/educationandskills/research-and-evaluation/124540/?lang=en>. (A full list of the insight papers is also attached at Annex 2). DCELLS' baseline data and analysis at national, regional and local levels has also been updated and can be found at the same link when published shortly.

A consultation exercise was undertaken between February and May 2007 to enable DCELLS to update the NLSA in light of views gathered from a wide range of stakeholders. Stakeholders were specifically asked to comment on whether the national and the

regional *priorities for change* identified in 2006 remained valid and whether there was a need for them to be replaced by more pressing priorities. The consultation made it clear that the primary aim was to refine these priorities further and that a compelling case would need to be made to remove or add any priorities.

Responses were received from a range of stakeholders including learning providers, CCETs and Sector Skills Councils.

Key themes emerging from the consultation that have been reflected in this update include:

- The need for a greater emphasis on basic skills
- Concerns about the impact of migrant labour on the learning system and the need for greater ESOL provision
- The importance of higher level skills, and the need to make more explicit links with economic development strategies at a national, Spatial Plan and local level
- The importance of management and leadership training
- The need to increase the provision of vocational pathways to 14-19 year olds, including the more academically able
- The importance of the Welsh language, Welsh-medium and bilingual learning, and
- The need for ongoing attention to reconfiguring the learning system in many areas.

The National Priorities for Change

The importance of education, training, skills and learning to Wales continues to grow as more individuals and businesses recognise the benefits of lifelong learning in both their personal and professional lives.

Between 2007 and 2010, DCELLS will invest over £1.87 billion in post 16 education and training in Wales. More than one third of Wales' adult population and thousands of businesses will benefit. DCELLS aims to improve children's services, education and training provision to secure better outcomes for learners, business, and employers as set out in the strategic document, 'The Learning Country - Vision into Action'. It seeks to empower children, young people and adults through education and training to enjoy a better quality of life.

In the context of the Assembly Government's wider strategic agenda, set out in 'Wales: A Better Country' and 'Iaith Pawb', DCELLS' key objectives translates to the following key activities:

- To extend the Foundation Phase pilots and increase the number of families who can access Flying Start services
- To further improve standards achieved in our schools, including a focus on positive behaviour
- To encourage a whole school approach to good nutrition and healthier lifestyles
- To improve the quality of initial training, induction and continuous professional development of teachers, support staff and all post-16 education and training practitioners
- To widen access to HE significantly, promote world class teaching and research, and improve the way knowledge can be exploited for the benefit of the Welsh economy
- To implement 14-19 Learning Pathways
- To develop a new skills and employment strategy for Wales, drawing on the outcomes of the review of mission and purpose of further education in Wales (the Webb review) and the Leitch review of UK skills, and
- To identify the skills needs of employers, learners, communities and the WAG.

This Statement of Priorities seeks to highlight national and regional priority areas for change to post-16 learning and education. In order to bring a sharper focus to NPFS planning and funding decisions, the number of *priorities for change* is limited. In setting these priorities it is recognised that there are other concerns and priorities for the learning and education sector that will continue to be addressed by the WAG and its providers of learning and education during the normal course of business.

This more selective approach has been adopted in order to focus attention and finite resources upon those areas where change is more pressing and where activities may not already be underway.

Three clusters have been identified for the national *priorities for change*:

- **Generic Skills.** This covers those areas and skills that individuals need to perform well in employment, ranging from the skills required to undertake a job at all (such as language skills for any level of job) to leadership and management skills
- **Skills required for key employment sectors.** This includes those sectors where it is anticipated that a further growth of skilled labour is required
- **Skills to achieve national policy.** This includes key policy areas where it is felt that the learning and skills market does not appear to be moving quickly enough.

These are supplemented by regional priorities in those areas which require additional local interventions due to variations in economic, social and learning circumstances.

The 2007 NLSA consultation responses reinforced the need to retain the previous national *priorities for change* established in 2006, emphasising their importance to all parts of Wales. Based upon the intelligence gathered over the past 12 months and the points raised during the consultation process each *priority for change* has, however, also been refined and updated.

In response to the recommendations received during the consultation, three new national priorities for change have been incorporated into this Statement of Priorities.

Within the **generic skills cluster**, the **priorities for change** are:

Basic Skills and ESOL Priority

To Increase provision and support for those requiring basic skills and ESOL support.

This priority has been expanded compared with 2006 to recognise the increase in demand for ESOL.

There are long term basic skills deficiencies in the Welsh population. Statistics from the Basic Skills Agency - National Survey of Adult Basic Skills in Wales 2004, indicate that

- 25% of adults in Wales have literacy skills below level 1, and
- 53% of adults have numeracy skills below level 1.

Whilst there has been an increase in the number of learners seeking to improve their basic skills in recent years, still more needs to be done. Targeting resources in order to reduce the number of adults without at least a level 1 standard of literacy and numeracy skills, and to achieve the challenging targets set out in the Basic Skills Strategy "Words Talk, Numbers Count" (i.e. for 80% of adults to have reached level 1 literacy and 55% of adults to have reached level 1 numeracy by 2010), has to be an essential priority for all those involved in the development and delivery of post 16 education and training. Training additional adult basic skills teachers and ESOL teachers will also need funding and support if these targets are to be achieved.

The Strategy identifies a number of priority groups and for the purposes of this assessment the needs of the following groups are particularly highlighted:

- The economically inactive or unemployed
- Those in full time employment who require additional support to improve their skills to level 2
- Other groups at risk of social exclusion such as young people who are not engaged in learning or employment (NEET)

- Those who need to access English for Speakers of Other Languages provision (the demand for English for Speakers of other Languages is growing rapidly due to the influx of EU migrant workers and the language requirements for citizenship and settlement status).

Activity Levels

There were 33,470 basic skills learning activities pursued during 2005/06. 87% of these learners were enrolled at FE institutions (including their training subsidiaries), 12% were enrolled at other training (OT) providers and 1% were enrolled at Community Learning (CL) providers. Compared to the equivalent figure for 2004/05, the number of basic skills learners increased by 4% in 2005/06.

There were 16,110 learning activities pursued during 2005/06. The majority of these learners (97%) were enrolled at FE institutions (including their training subsidiaries). Compared with the equivalent figure for 2004/05, the number of ESOL learners increased by 24% in 2005/06.

Table A: Number of Basic Skills and ESOL learning activities undertaken in 2005/06 - by region of domicile of learner

	Region of domicile of learner					Total
	North Wales	Mid Wales	South West Wales	South East Wales	Unknown/ Outside of Wales	
Literacy	2,025	590	2,955	4,880	395	10,845
Numeracy	2,295	905	3,340	4,055	340	10,935
Other Basic Skills	4,380	270	1,985	4,625	440	11,690
ESOL	3,010	555	2,750	8,060	1,735	16,110

Source: Lifelong Learning Wales Record (LLWR)

IT Priority

To realign the delivery of IT user provision in order to realise a significant increase in delivery of the ITQ competence based qualification and those qualifications that contribute to, and are part of the ITQ. To deliver higher level user skills, and to pilot and evaluate the use of the e-skills Passport system for learners who will be undertaking IT user qualifications.

Research from e-Skills UK Sector Skills Council indicates that 25% of the workforce in Wales has IT user skills gaps and suggests there is a need to improve the IT skills of more than 424,000 people if we are to address current gaps and forecast IT user skills needs over the next 3 years. The Wales workforce also contains fewer IT users as a percentage of the workforce (66%) than the UK as a whole (70%), and the Future Skills Wales 2005 Survey shows that IT user skills were lacking in 40% of all establishments reporting skills gaps.

e-Skills UK recommends that support should be directed towards the implementation of the competence based qualification for IT users that meets the user requirements of most employers - the ITQ. The ITQ is a flexible qualification, allowing individuals to undertake units across different levels (from 1-3) with the level of qualification depending on the number of unit values achieved. Linked to the ITQ is the e-skills Passport system which provides initial diagnostic assessment of IT skills which can be used to assess and deliver the ITQ.

In taking forward this priority, DCELLS will seek to work with e-Skills UK and learning providers in order to bring about a realignment of IT provision in Wales in favour of the ITQ qualification and qualifications that contribute to and are part of the ITQ. It will also encourage the delivery of IT provision at higher levels. In order to facilitate this realignment a corresponding reduction in funded IT user activities that do not fit these criteria will be required.

User Activity Levels

According to the latest figures available from the LLWR and PLASC databases, in 2005/06 around 121,500 ICT learning activities were undertaken across Wales, of which 102,300 activities were in the QCA/ACCAC Sector Subject Area "ICT for Users". 20.4% of all user

activities were either the ITQ qualification (3.5%) or contributory qualifications (16.9%). The following table provides a breakdown for the whole of Wales by type of learning provider.

Table B: Number of learning activities "ICT for Users" 2005/06 - All Wales

Sector	ITQ Activities	ITQ Contributory Activities	Other ICT User Activities	Total Activities
Welsh FEIs	265 activities (0.3%)	13,850 activities (15.9%)	72,865 activities (83.8%)	86,980 activities (100% FEI)
WBL at FEI	50 (4.3%)	380 (32.5%)	735 (63.2%)	1,165 (100% FEI WBL)
WBL Other	3,225 (31.3%)	2760 (26.8%)	4,315 (41.9%)	10,300 (100% WBL other)
LEA Community Learning	0	345 (10.2%)	3,035 (89.8%)	3,380 (100% LEA/CL)
Sixth Form	0	0	535 (100%)	535 (100% 6th form)
Total Activities and %	3540 (3.5%)	17,335 (16.9%)	81,485 (79.6%)	102,360 (100% all)

Source: LLWR and PLASC Databases 2005/06: Sixth form ICT activities are included in the other column as specific learning aim references are not available from PLASC data.

Over the next 3 years DCELLS will be seeking to realign the delivery of IT user provision, so that there is a significant increase in the number of funded IT user activities in Wales linked to the ITQ and/or qualifications that contribute to ITQ (from 20.4% to 40% of all activities). This is to ensure support for provision that is more aligned to employer needs. Particular emphasis will be placed upon the realignment of provision in the FEI and WBL sectors. e-Skills UK will investigate separately the potential for the ITQ framework to be used to support the curriculum in schools.

The Department is already working with e-skills UK to pilot and evaluate the e-skills Passport. The pilot is due to be completed in the autumn of 2007. A key outcome will be the production of a best practice guide in the delivery of the ITQ and the Passport, which will subsequently be made available to all providers. The evaluation of the pilot and ongoing work with e-Skills UK will inform future reports and guidance to providers regarding the application of the passport.

However, where providers are in a position to use the e-skills Passport, we would encourage this use as the passport provides a common language to describe and assess IT user skills and identifies the skills profile and learning pathway for the ITQ. It also recognises contributory qualifications.

Customer Service Priority

To increase support for, and the volume of Customer Service NVQ programmes and related courses delivered to selected sectors (i.e. hospitality and catering, retail, food and drink, leisure and tourism).

Customer Service can make a critical difference to economic performance and competitiveness particularly across the service sectors and related businesses. It can also make a real difference to employees and how they perform in their jobs on a daily basis. Increasingly, competition is being driven by the amount of added value on a contract.

The shift towards more customer focused sectors will require enhanced skills and knowledge from the workforce (Source: Skills Need Assessment March 06, Asset Skills). Driving up skill levels in this field will have significant economic benefits.

Despite an increase in the delivery of related courses in recent years, a large number of Sector Skills Councils (SSCs) still report 'customer handling' and 'communications' as major skill gaps at all levels across their footprints and these are increasingly being reflected as priority areas in Welsh Sector Skills Agreements.

Generic skills also play a central role in the Welsh Assembly Government's education and training agenda. The Future Skills Wales 2005 Sector Skills Survey indicated that whilst, nearly one in five employers complained that current staff lacked the generic skills needed to do their jobs, a significant number are not taking any measures to deal with the problem. The survey also suggested that the lack of customer service skills was of particular concern and that the sectors most affected include hospitality and catering, retail, food and drink and leisure and tourism.

It is important that all generic skills are embedded throughout learning. In order to achieve this we all need to continue working with the appropriate bodies to encourage the development and delivery of generic skills within the national curriculum and to integrate generic skills training into practitioner training and qualifications. It will also be important to include appropriate elements of generic skills training in all workforce development programmes.

Increasing the focus of attention and resources on one generic skills area in the short term, however, should enable us to make a more immediate impact than looking broadly at all generic skills. It is therefore recommended that customer service programmes be prioritised in this instance and that support be given to delivering the programmes to the identified sectors.

Activity Levels

There were 8,985 learners pursuing NVQs in Customer Service during 2005/06. 60% of these learners were enrolled at OT providers and 40% were enrolled at FE institutions (including their training subsidiaries). The number of learners pursuing such learning aims at OT providers increased by 36% between 2004/05 and 2005/06. However, the number of learners pursuing equivalent learning aims at FE institutions decreased by 8%. Overall, there was an increase of 14% in the number of learners pursuing NVQs in Customer Service between 2004/05 and 2005/06.

Management and Leadership Priority

To improve the relevance, appropriateness, reach and impact of the management and leadership training available.

At the end of 2004, only 40% of the 'managers and senior officials' occupational group were qualified to level 4+ (65,000 of whom 42,000 had degrees). This compares with 90% at level 4+ for 'professional' and 51% for 'associate professional and technical.'

While qualifications are not a good proxy for skills in this group because of demographic factors and the lack of correlation between qualifications and managerial ability, it does raise some issues particularly in the growing area of knowledge-intensive work and in relation to firms' ability to make good use of the increasing number

of graduates coming into the workplace. Research indicates that level of entrepreneurial activity has a positive correlation with level of qualification.

Our research also tells us that:

- 60% of 'managers and senior officials' - nearly 100,000 people in Wales - lack qualifications above level 3
- Around 260,000 people have management or leadership roles of whom 58% are in 'micro' and 'size zero' businesses and
- Managers and leaders are facing increasing demands: more discerning consumers, increasing competition, the knowledge economy, technology, environment, corporate social responsibility, legislation, changing career patterns, higher and more diverse employee expectations.

In terms of type of provision and skills requirements:

- The greatest need is for practical Management and Leadership (M+L) skills training rather than management theory, with different areas of emphasis between large organisations and small businesses
- Most effective M+L development is grounded in practice, focused on issues the manager is facing, and action oriented
- Much greater emphasis is needed on methods that make a difference on the ground - such as action-based learning, mentoring, just-in-time bite-sized provision, focused workshops and e-learning - increasing organisations' capacity to develop their managers and leaders at work
- While there are plenty of M+L training providers in Wales - they are currently reaching too few managers and not enough engage effectively with smaller employers.

The Leitch report states that "The UK needs world class management skills to deliver the benefits of world class skills. Improving management and leadership is a complex and a challenging problem. Training will only make a contribution to tackling this problem if management training meets the needs of employers".

Management and leadership is also a key theme which has been highlighted in research underpinning Welsh Sector Skills Agreements. As a cross sector need, it is critical that provision is targeted

to meet the needs of employers in Wales. Particular emphasis has been placed on the requirement to fill a shortage of good managers qualified at Level 3 and Level 4, and the need to target smaller employers.

The focus of this priority is not about simply delivering more training. It is about ensuring that we improve the targeting, delivery, level and relevance of management and leadership training available and that we measure its impact on those participating.

Activity Levels

There were 4,105 learners pursuing NVQs in Management in 2005/06. 73% of these learners were enrolled at OT providers and the remainder at FE institutions. Compared to the equivalent figure for 2004/05, there was a 16% increase in the number of learners pursuing NVQs in Management in 2005/06.

There were 1,485 learners pursuing NVQs in Team Leading in 2005/06. 80% of these learners were enrolled at OT providers and the remainder at FE institutions. Compared to the equivalent figure for 2004/05, there was a 58% increase in the number of learners pursuing NVQs in Team Leading in 2005/06.

Table C details these learners by region of domicile:

Table C: Number of learners undertaking NVQs in Management and Team Leading in 2005/06 - by region of domicile of learner

NVQ	Region of domicile of learner					Total
	North Wales	Mid Wales	South West Wales	South East Wales	Unknown/ Outside of Wales	
Management	615	285	910	2,000	295	4,105
Team Leading	245	60	315	795	75	1,485

Source: Lifelong Learning Wales Record (LLWR), September 2005 Post-16 PLASC

Within the **skills for employment cluster**, the **priorities for change** are:

Early Years and Childcare Priority

To increase the number of workers within the early years and children's services sector with appropriate level skills.

The early years and children's services sector has expanded rapidly in recent years, and is likely to grow further. It is a sector that is experiencing a great deal of change in terms of regulation and implementation of new policy and initiatives. There is an urgent need to develop and support qualifications and training related to childminders and play work.

New legislation requires that play leaders and senior staff require a level 3 in play work by April 2008 and 50% of others employed in the sector require level 2. All child minders also need to be qualified to level 3 within 5 years of registration.

From 2008 the WAG is also introducing the new Foundation Phase curriculum for 3-7 year olds. As a result of this initiative there will be a need for all adults working in the Foundation Phase to have an understanding of how children develop and learn and of early years pedagogy. It is estimated that an additional 2,800 staff will be recruited in support of the initiative between 2008-11 and that they will need to be trained and qualified to at least NVQ level 3.

The focus of this priority is, therefore, upon the need to significantly increase the volume of learning delivered to the sector at level 2 and 3 in order to meet the forecast increase in demand.

Activity Levels

There were 9,160 learners pursuing learning aims in the Child Development and Well Being sector in 2005/06. 73% were enrolled at FE institutions (including their training subsidiaries), 24% were enrolled at OT providers, 2% were enrolled at school sixth forms and 1% at CL providers. Compared to 2004/05, the number of learners in the Child Development and Well Being sector increased by 3% in 2005/06.

The most popular learning aims undertaken were NVQ in Early Years Care and Education, NVQ in Children's Care Learning and Development, Diploma in Child Care and Education, Certificate in Children's Care Learning and Development, Certificate in Child Care and Education and BTEC National Diploma in Early Years which, in total, accounted for 66% of the learning activities being undertaken in the Child Development and Well Being sector.

Built Environment Priority

To support the skills and training needs of the "Built Environment" - supporting relevant qualifications and full apprenticeships and the wider skills needs identified as part of the Built Environment Strategy for Wales, Building Companies Building Skills.

Many of the challenges facing one sector are often repeated in other sectors. This is especially true for the group of Sector Skills Councils (SSCs) that make up the Built Environment industries. These include Construction Skills, Asset Skills, Summit Skills and Energy and Utility Skills. Together, these sectors are facing short-term increases in demand for their skills. These SSCs have been active in working with the Welsh Assembly Government and other partner organisations across the industry, to develop a long-term jobs and skills strategy for the Built Environment, *Building Companies Building Skills*. The aim being to apply a strategic and coordinated approach to the planning and supply of learning provision, which is more responsive to the needs of the Built Environment sector in order to maximise the opportunities, both social and economic, from the planned investment in construction projects across Wales.

Although we recognise that there are many areas within the Built Environment sector that require support, as well as specific skills actions outlined within the Building Companies Building Skills strategy document, we have decided that the priority should focus upon:

- Supporting provision available through the 14-19 agenda to ensure that those learning outcomes delivered provide individuals with the skills recognised by the sector and can demonstrate appropriate progression routes to future learning or employment opportunities

- Reducing current skills shortages at levels 4 and 5, specifically in management and technical occupations, through the provision of additional learning opportunities
- Providers of learning to work with the Built Environment SSCs to ensure that learning outcomes are matched to employment entry points or further progression routes and their associated standards
- Encourage greater uptake of OSAT (On Site Assessment and Training) to ensure skilled and competent workers are developed from within the sector
- Provider specifically targeted learning opportunities, both in terms of content and delivery, appropriate to the needs of SMEs, specifically in terms of providing these businesses with a multi skilled workforce.

Activity Levels

There were 18,460 learners pursuing learning aims in the Building & Construction sector in 2005/06. 76% were enrolled at FE institutions (including their training subsidiaries) and 24% were enrolled at OT providers. The number of learners remained relatively static between 2004/05 and 2005/06.

Table D details the most popular learning aims in the Building and Construction sector:

Table D: Sample of learning aims undertaken in the Building and Construction sector in 2005/06

Learning Aim Title	Number of learning activities	% of learning activities in sector
Construction Award	2,488	13%
Foundation Construction Award	2,225	11%
Certificate in Basic Plumbing Studies	2,111	11%
NVQ in Wood Occupations (Construction)	1,642	8%
NVQ in Trowel Occupations (Construction)	1,114	6%
NVQ in Wood Occupations	846	4%
Advanced Construction Award	823	4%
Intermediate Construction Award	741	4%
Certificate in Plumbing Studies	635	3%
Intermediate Construction Certificate	583	3%
Certificate in Basic Construction Skills	511	3%
NVQ in Trowel Occupations	485	2%

Source: Lifelong Learning Wales Record (LLWR)

Within the **national policy cluster**, the **priorities for change** are:

14-19 Priority

To develop access to the learning entitlement envisaged in Learning Pathways 14-19 to contribute to the achievement of the aim that 95% of young people will be ready for high skilled employment or higher education by 2015.

14-19 Learning Pathways has the potential to transform provision and support learners, raise achievement and attainment, prepare young people for high skilled employment or higher education and enable Wales to compete in Europe in the 21st Century.

Learning Pathways is a key driver for the fulfilment of the outcomes contained in Vision into Action namely:

- The percentage of 16-18 year olds in employment, education or training to reach 93% by 2010 (2007 milestone - 90%)
- The average points score per 15-year old pupil for all qualifications approved for pre-16 use in Wales to improve year on year.
- By 2010, no pupil to leave full-time education without an approved qualification.

The six key elements of Learning Pathways will ensure that all learners will receive an appropriate balance of learning experiences that best meet their individual needs. The key elements also ensure that learners receive the support and guidance that is necessary for them to achieve their full potential.

This entitlement can only be delivered to all through collaboration between learning providers. The priority implies a strong commitment to collaborative working by providers and a commitment to optimizing resource use. Key areas for development, related to wider choice, include enhanced learner access to Applied Vocational and Vocational programmes, and more specifically the delivery of such programmes through the medium of the Welsh language.

Proposed legislation pertaining to Learning Pathways 14-19 is currently under consideration.

Activity Levels

There were 115,685 learners aged 19 and under (as at 31 August 2005) enrolled at FE institutions, OT providers, CL providers and school sixth forms in Wales during 2005/06. These learners comprised 31% of the overall post-16 sector learner cohort. 24% of learners enrolled at FE institutions were aged 19 and under compared with 38% of learners at OT provider, 3% of learners at CL providers and 100% of school sixth form learners.

Welsh-medium and Welsh for Adults Priority

To develop, support and implement Welsh-medium/bilingual learning and Welsh for Adults learning.

Iaith Pawb: A National Action Plan for a Bilingual Wales sets out WAG's agenda of 'reviving and revitalising' the Welsh language, with a specific target of increasing the proportion of the population able to speak Welsh by 5% between 2001 and 2011. The obligations of the Welsh Language Act, to which all public sector bodies have to respond, will lead to an increased need for Welsh speakers in public services and other workplaces.

In spite of the Welsh language being a stated priority, the education and training sector has been slow to respond to these needs in the post-16 phase. For example, in 2005/06 only 2.0% of learning activities were delivered through the medium of Welsh and 4% bilingually. There is a need, therefore, to provide equality for Welsh speakers and to create a more bilingual workforce by expanding Welsh-medium and bilingual provision, and by increasing participation rates in the Welsh for Adults programme, which is the only education programme capable of increasing the numbers of adult Welsh speakers in line with the *Iaith Pawb* targets. With regard to Welsh for Adults provision, there is considerable scope for expanding the capacity of the six new Welsh for Adults language centres and their third-party contractors to increase learner numbers.

The two elements of focus for provider development activities are:

- Collaborative working between schools, FE institutions and training providers within the 14-19 agenda to drive up the range of vocational options available through the medium of Welsh or bilingually. The aim is to provide clear Welsh-medium and bilingual progression routes through 14-19 education and training into employment, further and higher education and apprenticeships. Priorities for funding are the 6 sectors identified as the most important for bilingual skills: Childcare/Early Years, Care, Tourism and Leisure, Media, IT and Business Administration, Agriculture
- Collaborative working between the six regional Welsh for Adults language centres and other key stakeholders to provide a more focused and expanded programme of Welsh for Adults courses, catering to the needs of parents, incomers, education practitioners and the workplace.

Activity Levels

In 2005/06, 19% of learning activities undertaken at school sixth forms were delivered either bilingually or through the medium of Welsh compared with 4% of learning activities undertaken at FE institutions and 1% of learning activities at OT providers and CL providers.

There were 17,730 learners undertaking Welsh for Adults learning in 2005/06, with a total of 24,915 learning activities.

Economically Inactive Priority

To work with key stakeholders to provide viable and sustainable routes into employment for the Economically Inactive.

- Economic inactivity is a term used to describe people of working age who are neither in work nor unemployed. In other words, they are not working, not looking for work and/or not available for work.
- Latest figures indicate that the level of Economic Inactivity amongst the working age population of Wales is 24.9%, over 3 percentage points higher than that for England (21.5%), and the UK (21.8%)²
- Economic Inactivity is much more prevalent than unemployment in Wales.

Helping people move from inactivity back into the labour market is not a simple process, and learning is only one part of the solution. Activity to re-engage such individuals has been identified as important for both community and economic development, with the identification of appropriate learning methods to engage this group being a key need. Economically relevant skills are key to assisting people overcome the barriers they face.

Addressing the low levels of skills and confidence of economically inactive people through the provision of appropriate training programmes is a fundamental prerequisite to improving prosperity. These programmes include basic numeracy and literacy, confidence building and interpersonal skills.

² Annual Population Survey, June 2006 - ONS Crown Copyright Reserved

This is an area, therefore, that presents major opportunities, not only to tackle economic inactivity but also to meet the requirements of the growth sectors across Wales. South West Wales contains proportionally higher levels of inactive individuals in comparison to Wales and the UK.

Detailed analysis of economic inactivity highlights two main priority action areas, one of which is critical to delivering long term solutions, the other short term:

Over the short to medium term, the most important action is to raise economic activity rates by encouraging and assisting those who wish to enter work, and to maximise their chances of remaining in employment after finding a job, learning and skills development is key to this policy.

The long-term solution is to ensure that all young people leave school with the skills and confidence to succeed. Action at each stage in the learning process is important, and the development of more flexible and coherent education and training pathways for 14-19 year olds is particularly significant. But the review of evidence underlines that early interventions in a child's life are the most effective means of combating subsequent disadvantage and are likely to be the single most effective way of tackling the inactivity problem in the long term. The priority for action for the longer-term is therefore to overcome the cycle of disadvantage perpetuated in deprived families through a coherent programme of early interventions. Childcare is one, but only one, element within this. The Foundation Phase will also have an important role to play.

The Regional Priorities for Change

Many of the issues affecting the social and economic well being of Wales impact differently upon Wales' regions and localities. The challenges facing each of our four regions have, therefore, been assessed as part of the 2007 NLSA consultation and production process. These issues along with the needs of the local economy, the Wales Spatial Plan and existing regional strategies reinforced the need to retain and refine regional priorities.

DCELLS' expectations of the provider network as a catalyst for change in achieving the national and regional priorities are high and as a minimum DCELLS would, therefore, expect each learning provider to:

- Be committed to a programme of continuous improvement
- Ensure that its provision reflects identified *priorities for change* that relate to its client base, and the needs of its own stakeholders, particularly local employers
- Strive to improve quality at all times that results in increased effectiveness of providers
- Work with local and national employers to ensure that provision is responsive to their needs
- Work together on key agendas such as reconfiguration, collaboration and effectiveness
- Work with WAG, at a national and local level, to ensure accountability for public funding.

North Wales - Regional Priorities for Change

The context for establishing the North Wales regional priorities has changed little over the past 12 months. General characteristics of North Wales include:

- An expanding population, particularly amongst those aged over 50
- Strong pockets of economic growth
- Falling unemployment
- Growing skill levels
- A need to improve learning provision generally and to meet the demands of certain sectors.

Despite this there still exists an occupational structure which has not responded to growing skills needs, an economic inactivity rate which refuses to change and continuing basic skill problems.

Many of the issues faced by the region are addressed by the national priorities including:

- Construction - North Wales learning providers consistently report that the construction industry in particular faces both short and longer term pressures on skills
- Basic skills issues remain a priority for the region and due to an influx of non British workers, adequate provision of ESOL courses is becoming a major concern
- The 14-19 agenda and its implications in terms of reconfiguration and collaboration remain challenging for North Wales.
- Economic inactivity remains an issue in North Wales, some counties have rates higher than the Welsh and UK averages.

Compared to 2006, North Wales has revised its regional priorities down from 4 to 2. A decision has been taken to remove the previous priority for manufacturing and engineering following the evaluation of related activities, which demonstrated that considerable progress had been made in this area. This was endorsed during the consultation process.

Therefore the regional priorities for North Wales are:

NW1 - Ensure the learning infrastructure and the provision of learning is adequate to meet current and future needs of businesses and individuals involved in the **Tourism and Hospitality** sectors.

The tourism and hospitality industry is a key contributor to the regional economy and is especially important as a source of employment in the more rural parts of North Wales. As with the industry in the UK, skill development among the work force can be constrained by the seasonal nature of some employment. Many businesses now employ a significant number of non British individuals and some skill adjustment and development is often needed. More generally, skill development in this public facing service industry is an important component of its continued success.

NW2 - Ensure the provision of learning is planned to respond to the effects of **nuclear decommissioning at Wylfa** and supports the regeneration efforts of the Môn and Menai initiative.

In response to decommissioning at Wylfa, the possible knock-on effects of significant job losses at Anglesey Aluminium, and the historical fragility of the economy of Ynys Môn - Andrew Davies, then Minister for Enterprise, Innovation and Networks and Jane Davidson, then Minister for Education, Lifelong Learning and Skills launched in the winter of 2006 a new initiative designed to better coordinate and invest in public services in the Menai Corridor and on Môn.

To give an idea of the scale of the challenge facing Ynys Môn, economists estimate a loss of £42.2m to the island's economy to 2013, and a loss of 1,500 jobs from a current employment figure of circa 19,000. A third of the County's wards have more than one in ten residents employed by either Anglesey Aluminium or Wylfa. The potential effect on the Island's communities and economy is severe. Ensuring a positive response from providers of learning is, therefore, key to supporting regeneration efforts in the area.

Mid Wales - Regional Priorities for Change

When establishing the regional priorities for change in Mid Wales, it is apparent that the region faces issues that are not encountered to the same degree by the rest of Wales. For instance, there continue to be challenges associated with providing learning in a large and sparsely populated region such as Mid Wales. The region covers 40% of Wales' land mass, but accounts for only 8% of its population, 7% of its employment and provides some 6% of national output.

Characteristics of Mid Wales include:

- A predominance of very small companies where 95% of businesses employ less than 10
- A fragile economic structure with its over-reliance on traditional industries and the public sector, coupled with a decline in the manufacturing sector

- Areas with significant numbers of self-employed people. However, the entrepreneurial potential of the area is tempered by a lack of engagement with training and a failure to take on apprentices.

The economy of Mid Wales has suffered a number of setbacks in recent years. There have been some large-scale redundancies and a significant number of smaller companies have gone out of business with a resultant drain of good quality jobs, particularly in the manufacturing sector. This trend looks set to continue, as manufacturing continues to feel the competition from abroad.

For the period 2007 - 2010, Mid Wales has 4 regional priorities.

MW1 - To support the needs of **Agri related food production and processing sectors**, to assist the sector with the development and implementation of appropriate level skills, and make available provision for bespoke courses where necessary.

Mid Wales continues to demonstrate its strong historic reliance on the agricultural sector almost half (45%) of the VAT registered establishments were involved in the agricultural and associated sectors in 2004, compared with the UK figure of 7%. *[NOMIS]*.

The agri-food sector, in particular, offers opportunities for Mid Wales. A study carried out in 2003 (Miller Research for ELWa) found that the sector has the potential to provide substantial numbers of jobs in rural areas. Many of the producers operating in rural Wales are small, with the potential to expand further. Demographic and lifestyle trends are having a profound effect on the food market and increasing demand for processed and added value food products, as well as organic and regional produce with clear traceability. Mid Wales has a definite advantage in such a market. However, in recent months Ceredigion has seen the loss of 155 jobs from its long established dairy processing sector following the closure of two major processing plants.

A broad range of skills is required to meet the training needs of the industry. An added challenge is that numbers of learners in Mid Wales in this sector are relatively small. Currently most jobs in the sector are relatively low skilled and the lack of higher level professional (level 3 and above) and technician skills pose a risk to

its future long term development. There needs to be a concerted effort to convince local businesses of the benefits of higher skills levels provision, whilst allowing for flexibility in delivery of provision to enable small businesses to access it.

MW2 - Ensure the funding being made available via the decommissioning of **Trawsfynydd nuclear power station** is maximised effectively, to increase the opportunities available to learners.

The Trawsfynydd Nuclear Power Station has played an important part in the economy of Meirionnydd for several decades. The implementation of the decommissioning strategy for the plant is now underway, and has brought with it a need for different skills within the workforce.

In addition, the decommissioning process may provide opportunities for levering in sizeable investment into the area via the Nuclear Decommissioning Agency to support the skills needs of the decommissioning process, and potentially the more general learning needs within the communities affected. Providers will be called upon to act together to ensure that the shorter-term skills needs can be met, as well as providing skills that can hopefully sustain the economy in the longer term.

MW3 - Increase the training available in the **Outdoor Pursuits** sector to fulfil the potential for an internationally renowned leisure destination.

A specific skills gap has been identified in the Outdoor Pursuits sector by Y Gamfa CCET and by the Gwynedd 14-19 Partnership. It is recognised as a sector that offers potential to keep young people in the area, and therefore they need to be able to access the required skills to do so. Mid Wales Partnership's 'Winning Mid Wales' economic strategy also cites the potential to become a nationally and internationally recognised outdoor leisure destination as a key opportunity for the entire Mid Wales region.

MW4 - Contribute to the development of **Aberystwyth** as a regional centre by addressing identified skills needs, including those of the enlarging public sector presence in the town and any associated review and reconfiguration of infrastructure.

Aberystwyth has been designated a regional centre in the Wales Spatial Plan, which states that it should increase its status as a 'focal point for the communities and economic development in West Wales and beyond'. Mid Wales Partnership's Winning Mid Wales strategy includes the following key action:

"Build on the national role of Aberystwyth with particular attention to mapping out its role as the key lever for the diffusion and distribution of economic benefit to the whole Mid Wales area"

Work is underway assessing the town's infrastructure for various services such as health, education and economic development, and there will be significant public sector staff relocation to the town during 2008-10. Therefore, there will be diverse learning needs identified as this process is further developed.

South East Regional Priorities for Change

In agreeing its regional priorities for change, South East Wales has issues to consider that are unique to this region. Indeed the challenges range from having a region that encompasses the most prosperous to the most deprived areas of Wales.

Characteristics of the region include:

- Over 48% of the Welsh population reside in this region
- Economic activity rates in South East Wales are highest in Monmouthshire at 83%, whilst Merthyr Tydfil has the lowest economic activity rate in the region of 69%
- In the Valleys, 32% of the working age population have a Level 3 or higher qualification, compared with 47% of the working age population in the rest of South East Wales
- There is a projected growth in higher occupational areas which will result in a requirement for Level 2 and higher qualifications.

The emergence of the city regions as drivers of economic competitiveness and the continued investment in landmark projects require skill levels to be raised in construction, retail, catering and hospitality. Increasing and improving the relevance of training provision in these sectors will be necessary for the whole region to benefit from the increased prosperity.

In agreeing its regional priorities for the period 2007 - 2010, South East Wales has set priorities that seek to address the above regional challenges and also address particular needs of individual areas such as the Valleys and City-Regions.

SE1 - Increase higher level training provision in **communication and technology skills**, including media, information technology and creative skills to meet growing demand in the City-Regions and Central Valleys areas.

Whilst the City-Regions and Central Valleys areas have very many differing characteristics, a number of descriptions hold true for both areas. Whereas both areas have pockets of high deprivation they also have a growing demand for the skills needed to maximise the potential benefits of the creative industries to the economy. As would be expected, poor attainment, qualification levels, engagement with learning and basic skills needs correlate closely with the relative levels of deprivation. In the Central Valleys an over reliance on manufacturing creates a fragile economy and there is a need to diversify into new sectors and high paid employment. Technology is a growth area and the greatest opportunities lie in digital technology and creative industries. These will include jobs to be created at the film studio development due for completion in June 2008 and planned to make South Wales a centre for the growing UK film industry.

SE2 - To support the **regeneration of the Heads of the Valleys area** by providing relevant learning and employability training that will enable local people to access jobs and support the growth of a new economy.

The economy of the Heads of the Valleys area has historically relied on sectors that paid relatively well for low skilled jobs in mining and heavy industry. However, with the loss of these jobs the area has fallen into a long term decline. About half the electoral wards in the area are in the top 10% of the most deprived in Wales, and economic inactivity has become a fact of life. Engagement in learning is low, with nearly a quarter of the population having no qualifications. Further the numbers of pupils achieving 5 GCSEs at A-C grades is 11 percentage points below the Welsh average. This low level of education and skills significantly impacts on earning potential. In order to raise the area out of poverty a concerted effort is required to raise the skills levels of its residents.

SE3 - Respond to the skills challenges presented by **large City-Region developments**.

Cardiff, Newport and the Valleys are interdependent. Therefore, a networked City-Region with sufficient critical mass to compete with comparable areas in the UK and the EU is essential for future investment and growth. A key factor in achieving sustainability will be the ability of this region to grow and attract talent, to provide lifelong learning opportunities, and to innovate and improve.

New investments in Cardiff and Newport will substantially increase the region's retail and commercial offering. These, along with other regeneration projects, will increase demand for skills and labour. For example, St Davids 2 in Cardiff will create 4000 retail related jobs. Learning providers are already responding to these challenges by creating a learning network that can engage the economically inactive through relevant training and education services to provide the skills base paramount for the success of the region.

SE4 - Respond to the skills challenges presented by the planned **Defence Training Academy** at St Athan.

In January 2007, the government announced that the Metrix consortium had been selected as preferred bidder to deliver technical training for the three armed forces. It was also selected as the potential preferred bidder to deliver a second training package,

which would deliver non-technical training such as logistics, languages and security.

A new state of the art defence training academy will therefore be established at St Athan, which it is estimated will create 5,000 jobs and be worth £58m annually to the local economy.

The construction of the defence training academy at St Athan will take place in the period 2008-2013. It is anticipated that approximately 1,500 jobs will be created during the construction period. A fully operational academy and the knock-on effect in the supply chain are expected to create 5,000 jobs thereafter.

The scale of this development will place considerable demand on the pool of skilled labour in the region and on the capacity of the education and training network to respond to the skills needs. It is therefore crucial that all viable steps are taken to ensure that the local and broader training infrastructure both enables the workforce to take advantage of the opportunities presented by the St Athan development and assists the successful establishment of the training academy.

SE5 - To ensure the continued sustainability of the **Rise Five Counties Learning Network** across the former Greater Gwent area.

RISE is a five county Learning Network that spans Greater Gwent (Caerphilly, Blaenau Gwent, Monmouthshire, Newport and Torfaen) and is the response of the Welsh Assembly Government, to the Corus Steelwork closures at Ebbw Vale and Newport. The strategy includes the development of a five counties-wide learning network that enhances the existing Adult Learning Network and encourages non-traditional learners to value and be able to access relevant learning within the local community.

The RISE initiative is a flagship project involving an inclusive and collaborative process with a range of stakeholders across the five Unitary Authorities with the aim of attracting 25,000 new learners by 2010. Following the completion of the capital investment phase in March 2006 the region is seeking to facilitate the establishment of a strategic forum to oversee the implementation

of the RISE sustainability strategy and build upon the earlier capital investment programme.

South West Regional Priorities for Change

The South West region has fared well over recent years but the region still faces considerable challenges as it attempts to develop and support the local economy.

Characteristics of the region include:

- A changing population profile
- Economic growth
- Changing employment patterns
- Demands for skills within the built environment sector are forecast to grow
- Tourism, leisure and hospitality industries will continue to expand in the traditional areas of Gower and Pembrokeshire
- Continuing development of the energy sector in Pembrokeshire will require an ongoing supply of civil engineering workers
- A need to improve learning provision generally and to meet the demands of certain sectors

However the region has an occupational structure which has not adequately responded to the requirement for growing skills levels, an economic inactivity rate which is slow to change, and continuing basic skill needs.

In agreeing its regional priorities, the region recognises the relevance of, and has adopted all of the national *priorities for change*. In addition it has two discrete regional priorities. The identified national priorities provide a firm basis for moving forward within the region. They seek to reconnect people with the labour markets and improve upon existing skills levels through focussed investment in education and training. This requires action at all stages in order to engage people and to prevent them dropping out of education or employment. These priorities, along with the two regional priorities provide routes into employment for the economically inactive and also increase the skills levels of those in employment.

SW1 - To provide targeted support for training in the **social care** sector.

The changing population structure of South West Wales suggests an ageing population and a decrease in school age learners. This will impact on several areas. The current situation of falling rolls in schools will increasingly impact on the secondary sector over the next five years. The demand for childcare will increase, as working parents continue their careers, and additionally, the ageing population will demand more care facilities, including support at home.

SW2 - Through collaboration and joint working, develop learning responses to meet individual and community needs identified in the **Wales Spatial Plan and local regeneration strategies**.

South West Wales contains three Spatial Plan areas. There are two self contained areas being Pembrokeshire: The Haven and Swansea Bay: Waterfront and Western Valleys. Additionally, local regeneration strategies have been developed in each of the local authority areas.

Collaborative action will be needed to address the imperatives outlined in all these strategies, as no one body is able to provide the necessary funding, expertise etc. to meet the challenges.

Work initiated under Spatial Planning has brought partners and sector representatives together to examine the skill needs of key sectors within the Welsh economy which include the Built Environment and the Energy Sectors. Spatial Planning has placed a focus on the needs of the Energy Sector in Pembrokeshire where, through effective partnership, a Workforce Development Plan is now in being which proposes a number of innovative actions to help address identified skill needs.

In Swansea work is already underway to ascertain the gap between supply and demand in the construction industry to inform the best delivery methods and to ensure that resource is placed where it is most needed and nugatory competition is minimised. This will potentially involve local providers jointly developing provision to meet the demand and reducing provision in occupations with less demand.

Other elements of the Spatial Plan priorities especially the knowledge economy and the skills demand within that sector will impact on the learning provision.

Looking ahead, if local regeneration needs are to be delivered then it will be important that the learning market continues/develops its interface with key business interests if new and existing learning products are to become more accessible, innovative and delivered when and where they are needed.

Policy Enhancement and Change - A Forward Look

In producing this Statement of Priorities, DCELLS is mindful that a coalition government has recently been formed and that during the forthcoming months the new government will be establishing its priorities for learning and skills. There are also major policy areas in development that could impact future planning requirements. These include:

- The Welsh Assembly Government's response to the Leitch Report, *Prosperity for all in the global economy - world class skills*
- The conclusions and recommendations of the Independent Review of the Mission and Purpose of Further Education in Wales
- The department's new skills strategy to be published for consultation in November 2007
- The emerging sector strategy being developed by the Department of the Economy and Transport.

Leitch Report, *Prosperity for all in the global economy - world class skills*

Lord Sandy Leitch was commissioned by the UK Government (Chancellor of the Exchequer and Secretary of State for Education and Skills) to examine the UK's optimal skills mix in order to maximise economic growth, productivity and social justice. Subsequently, the Review was asked to consider how best to integrate employment and skill services. The report was published on 5 December 2006.

The main conclusions are that world class skills will drive up the productivity and social justice levels in that country, but also that the UK's skills are not world-class. Even if we deliver all our current plans the UK's comparative position will not have improved significantly. Lord Leitch therefore recommends a much more ambitious approach across the UK and some radical changes to the way that skills are delivered.

The key themes of his recommendations are that:

- The delivery of skills should be employer-led
- A stronger sectoral approach is needed
- Employment and learning interventions in relation to skill promotion and development should be more closely integrated.

Much of the Leitch analysis, in particular the emphasis on employer-led sector skills, reinforces our own approaches as set out in the *Skills and Employment Action Plan* and *Wales: A Vibrant Economy*. He also emphasises the need to join-up the range of services delivered to business. These messages are very welcome but not essentially new. He also proposes that the funding for post-19 learning should genuinely be demand-led, by employers and also by individuals.

The WAG response to this report is due to be presented as part of the new Wales Skills and Employment Strategy.

The Independent Review of the Mission and Purpose of Further Education in Wales

The “Learning Country -Vision into Action” proposed a thorough policy review of the mission and purpose of the Further Education (FE) sector in Wales. It identified the need to evaluate the strategic mission and role of the sector in the delivery of education, lifelong learning and skills.

The review is intended to be holistic in its approach and is incorporating an analysis of:

- Further Education Institutions
- The wider role of the sector as a whole in relation to developments in 14 - 19 education and training
- The responsiveness to the skill needs of employers and the economy
- Adult learning, social justice and community engagement
- The interface with higher education provision
- The responsiveness to the learning, support and advice needs of post-14 learners in Wales.

The Review commenced last autumn and will present its conclusions and recommendations later in 2007.

DCELLS’ Skills and Employment Strategy

In January 2005 the Welsh Assembly Government published its *Skills and Employment Action Plan (SEAP) 2005*. This set out the aim of enabling “everyone [to have] the skills, motivation and opportunity

to obtain good quality jobs” and a commitment “to raise skills to the highest possible levels to support high quality jobs”.

DCELLS are in the process of developing a Skills and Employment Strategy 2007. This will take the form of a high level strategy consultation to establish policy positions and intent. Detailed action plans will be prepared for publication during April 2008.

This will function as a **response to the Leitch Review of Skills and the FE (Webb) Review** drawing together proposals for addressing both supply and demand side requirements. The document will reflect the interconnectivities between skills, employment and business.

Department of the Economy and Transport’s Sector Strategy

Following on from the publication of *WAVE: Wales - A Vibrant Economy*, the Department of the Economy and Transport (DE&T) is in the process of developing a sectoral strategy. This will include some priority economic sectors. These priority sectors are in the early stages of development and, as such, have not been reflected in this Statement of Priorities. It is expected, however, that once established, the learning and skills requirements associated with the DE&T priority sectors will need to be taken account of and reflected in future NPFS planning documents.

Working Together to Achieve Change

To take forward the priorities for change and achieve DCELLS' objectives, there needs to be a marked change in the way the market operates and a need for greater collaboration between providers to ensure maximum benefits for learners. This will not be easy and will pose challenges for all those involved. However DCELLS is committed to ensuring that effective collaboration and reconfiguration for the benefit of all is implemented.

In addition to the challenges identified Wales, as a whole, is experiencing a long term and gradual growth in total population due to longevity and an increased influx of residents aged over 50. For young people, however, the situation is reversed. Over the next 20 years there is forecast to be a further fall in the number of young people, with a significant decrease in school sixth form pupil numbers, a trend already being seen in many primary and some secondary schools.

It is likely, therefore, that the entire learning network may suffer significant pressure in future years as the demographic effect impacts on youth learner numbers and the ability to make efficiency savings is hampered by the overall size of many providers. Such pressures are likely to have a knock-on effect on the level and type of provision available across Wales. It is only through collaboration and reconfiguration that minimum acceptable entitlement for all learners will be achieved.

The Geographical Pathfinders, taking place in designated areas across Wales, have already put forward recommendations for collaborative activity and reconfiguration in response to these changing circumstances. Further reviews of this kind are likely. The Webb Review of the Mission and Purpose of Further Education in Wales is also due to report its findings in late 2007. The DCELLS will, therefore, be seeking to work with its partners and providers to take forward and implement recommendations emanating from the pathfinders and the review in this regard.

In Conclusion

The identified *priorities for change* and DCELLS objectives outlined in this document are ambitious. They will take time and a great deal of effort on the part of all concerned if they are to be realised. DCELLS for its part is fully committed and would welcome the support of all those that have a role and contribution to make in order to take them forward - to ensure we have in place a learning infrastructure of the highest quality that is ready to meet the needs of the 21st century.

Wales 2007 - Facts and Figures - A Summary

The following provide a quick reference guide to the demographic, social and economic condition of Wales and the extent to which it is embracing the learning paradigm.

Demographics

- As of 2005 the population of Wales was 2.959 million and is expected to reach 3.037 million in 2011.
- The population is also ageing. By 2011 there will be 22,000 fewer children - a fall of 4.2%, when compared with 2006. Over the same period the retirement age population will have increased by 40,000 - an increase of 15.2%.
- The working age population will grow moderately between now and 2011, by only 0.7% when compared to 2006. However there will be some larger changes within this group with an increase of 2,000 in the age group 15-24, a fall of 25,000 in the number of 25-44 year olds and an increase of 37,000 in the number of 45-64 year olds.
- The natural component of population change is zero or negative so that population growth is entirely driven by net in-migration.
- Net migration into Wales amounted to roughly 5,900 people a year. Of those who are leaving Wales, the majority are aged 16-24 seeking higher education in other areas of the UK. Most in-migrants are typically aged 45 and over.
- The largest urban areas in Wales are Cardiff (pop. 319,700), Swansea (226,400) and Newport (139,600). They are a magnet to young people and are the only areas not losing young people.
- 67.8% of residents say they are Welsh and 26.7% of them claim to speak Welsh.
- From the Labour Force Survey, 2.9% of the population belong to a non-white ethnic group (85,000). The areas of Cardiff and Newport have the greatest percentage of people identifying themselves as having a non-white ethnic group, with these being 11% and 7% respectively.

Social Conditions in Wales

- 52% of Welsh households have internet access, both broadband and dial up connection - one of the top four lowest rates of penetration of all UK regions. The number of people with no internet access has increased between 2005 and 2006, from 46% to 48%.
- The 2005 Welsh Index of Multiple Deprivation indicates there are 190 Lower Super Output Areas (LSOAs) which are among the 10% most deprived in Wales.
- The Unitary Authorities of Cardiff, Rhondda Cynon Taff and Swansea together account for 46% of the 190 LSOAs in the lowest 10%. However Merthyr Tydfil and Blaenau Gwent had a greater extent of deprivation with 36% and 26% respectively of their LSOAs in the lower 10% category.
- Almost ¼ of the Welsh population have a limiting long term illness or disability. Despite this only 12% of all residents say their health is not good (General Household Survey 2005).
- Merthyr Tydfil, Neath Port Talbot, Blaenau Gwent, Rhondda Cynon Taf, Caerphilly and Carmarthenshire suffer from a prevalence of limiting long-term illness.
- Wales has a high proportion of lone-parent households (16% vs 15% in England).
- 1 in 5 of the people in Wales work 45 hours a week or more.
- Average full-time earnings in Wales are £469.8 a week. Although this is well below the UK average of £537.3.

The Economy of Wales

- Wales is a £40.9 billion economy, with 98,200 enterprises and a workforce of 1.3 million people.
- At £13,800 Wales has a lower GVA per head than any other region of the UK - being 79% of the UK average and contributing only 3.8% to the UK's total share.
- Hourly productivity in Wales, as measured by GVA per hour worked, is 89.5% of the UK average, a 9.5% increase on last year.
- At 5.5% Wales has an almost identical unemployment rate to the UK (5.4%). However both activity rates and employment rates are 2% points lower than the UK - a decrease of 1% on 2006.

- 18% of working age people in Wales do not want employment compared to 16% in Great Britain.
- 151,100 people are self employed - 8.6% of the total working age population.
- Wales is a net exporter of employment, with 23,200 employees commuting into England to work. In 2005, 73,700 Welsh residents were working outside Wales. This was offset by 50,500 people resident outside Wales traveling into Wales to work.

The Industrial Structure of Wales

- In 2006 Wales had 457 VAT registered enterprises per 10,000 working age population, higher than in the North East (296), Scotland (405) the North West (419) and Yorkshire and the Humber (427). This compares with 496 across the UK as a whole.
- The survival rate for Wales for businesses registered in 2002 and are still operating 3 years later is 72%, 0.7 percent above the UK average at 71.3%.
- Since 1990 the share of manufacturing in total Welsh GVA has fallen from 30.4% to 18.4% while the service industry's contribution has increased from 58% to 73.4%.
- Manufacturing now accounts for 14.3% of employment.
- Almost a million people in Wales are now employed in the service economy, contributing to 80.2% of jobs.
- Almost 1 in every 4 Welsh workers is now employed in the public sector.
- A booming property market has helped to fuel an increase of 25,000 in the number employed in the construction sector since 1993.
- Despite increasing by 45,000 employees over the decade, the proportion in banking and finance, a high wage industry, remains low at 13.2%, compared to the British average of 20.6%.
- A notable feature of the Welsh economy has been its ability to attract investment from overseas. In 2003, there were 312 foreign owned manufacturing plants in Wales, employing 62,000 people.
- Tourism-related occupations are also very important to the economy of Wales; in 2004 more than 100,400 people were employed in tourism-related activities.

- Employment forecasts indicate growth in Wales to 2014 will be at around 0.4% per annum and will be concentrated in the business and other services economy.
- Occupational growth is likely to be concentrated in those areas relating to health, leisure, sales and service support with particular emphasis on health professionals, caring personal service, health and social welfare associate professionals, leisure and personal service, sales, business and public service associate professionals.

Skills and Qualifications

- Some 450,000 adults in Wales (25% of the total aged 16-65) are at entry level or below in literacy and almost 1 million people (53%) have entry level numeracy skills. Corresponding proportions from the all-England survey are 16% and 47%.
- Among the under 50s population poor basic skills are most prevalent among school leavers and young people (16-19).
- At key stage three, half way through secondary school, 32.2% of 14 year olds fail to attain the expected standard in English and 28.3% are below the target in maths.
- 74% of 16 - 18 year olds are participating in education or some form of training.
- 10% of individuals (12,000) aged 16-18 years are not in education, training or employment.
- 43% of working age people in Wales in 2006 were qualified to NVQ level 3 or above compared to 53% in Scotland and 46% in England.
- 23% of those in work in Wales in 2006 are qualified to level 4 and above compared to 27% in England and 31% in Scotland.
- 17% of working age adults in Wales have no qualifications. The corresponding UK figure is 13.56%.
- In 2005, 10% of establishments reported hard-to-fill vacancies (15% in 2003); 4% reported skill shortage vacancies (9% in 2003).
- 18% of employers in 2005 reported workforce skills gaps (amounting to 6% of the Welsh workforce). The skills most commonly lacking were generic skills such as problem solving skills (58% of establishments), customer handling skills (57%), other technical and practical skills (52%).

- Forecasts to the end of the decade anticipate substantial growth in the number of professional and associate professional occupation, while the number employed in skilled trades and machine operatives will decline. By far the largest fall will be in the number of people employed in elementary occupations.

Learning in Wales - Formal Learning

- 88% of 16 - 18 year olds were participating in some kind of education/ training or some form of employment (2005).
- Roughly 8 out of 10 16 year olds (i.e. year 11 pupils) will continue in full-time education. 140.9% of year 11 pupils remaining in full-time education stayed on school while 34.8% opted to continue to year 12 in a further education or tertiary college.
- Roughly three quarters of 16-18 year olds are learning outside of the school sector.
- In 2005/2006, one in five learners was aged 19 or under.
- There is a significant age specific fall in formal learning after age 18. Year ending 2005, participation was 37.1% for 19-24 year olds, a decrease on 2003 of around 5%. For 25-30 year olds there was a slight increase from 2003 of 1%, to 17%.
- Accompanying this decline in participation is increased demand for more flexible learning. 10% of the population aged 25-30 are part-time learners with the majority of full-time learners enrolled in higher education programmes.
- There were 373,645 learners enrolled at further education (FE) institutions, other training (OT) providers, Local Education Authority community learning (CL) providers and school sixth forms in Wales during 2005/06.
- Of these learners, 70% of learners were enrolled at FE institutions (including their training subsidiaries), 16% were enrolled at OT providers, 6% were enrolled at CL providers and 8% were enrolled at school sixth forms.
- On comparison to the equivalent figure for 2004/05, the number of learners in the post-16 sector increased by 5% in 2005/06. The number of learners pursuing learning at FE institutions increased by 3% compared with a 18% increase in the number of learners at OT providers and a 2% increase in the number of sixth form learners. However, the number of learners at CL providers decreased by 2%.

Learning in Wales - Learning and Work

- Workforce development is marginally greater in Wales than in England. The Labour Force Survey shows that 16% of male employees and 20.7% of female employees in Wales received work related training in the 4 weeks preceding the survey. In England, this compares to 13.8% and 17.6% for male and females respectively.
- Training opportunities are more likely to be offered to/taken up by the better skilled and already qualified employees, such as managers and senior officials.

Learning in Wales - Adult Participation in Learning

- National Institute for Adult Continuing Education (NIACE) estimate that in 2007 43% of adults in Wales were either currently engaged in learning or had undertaken some sort of learning activity during the previous 3 years. This is an increase from 42% in the previous survey conducted in 2003.
- Current participation promotes future participation but intentions decay rapidly over time.
- 70% of 17-24 year-olds are current or recent learners, compared with just under 50% of the rest of the working age population.
- The APS (Annual Population Survey, 2005) estimates that 30% of the working age population in Wales had not participated in any form of adult learning³ during the previous 12 months. In Great Britain the figure was 27%.
- There are notable age differences in non-participation in learning which ranges from 19% among 17-24 year olds to 27% among 25-44 and 45-64 year olds. For the 65+ age bracket, the participation rates are lowest with 50% having not participated in learning since leaving full-time education.

³ ADULT LEARNING

An adult learner as defined in the APS is someone aged 16 and over who has participated in some taught and/or non-taught adult learning over the last year.

Taught adult learning: taught courses that were meant to lead to a qualification; taught courses designed to help develop skills used in a job; courses, instructions or tuition in driving, playing a musical instrument, art or craft, sport or any practical skill; evening classes; learning involving an individual working on their own from a package of materials provided by an employer, college, commercial organisation or other training provider; other taught course, instruction or tuition.

Non-taught adult learning: studying for qualifications without taking part in a taught course; supervised training while doing a job; time spent keeping up-to-date with developments in one's work or profession e.g. by reading books or attending seminars; deliberately trying to improve one's knowledge about anything or teach oneself a skill without taking part in a taught course.

Why are People Learning in Wales?

- 61% of learners say that they started learning for personal development reasons, 51% for work-related reasons and 35% for education/progression reasons.
- 8% of learners say that they did not choose to participate in learning, but were required to do so by their employer, for professional reasons or as a benefit requirement.

Benefits of Learning

- Better skills are associated with higher earnings, a lower probability of becoming unemployed, better health and reduced crime it is estimated that having basic numeracy and literacy increases wages by 6 - 10 percent.
- 30% of learners report improvements in self-confidence, 26% believe they have developed as a person, 25% have gained or expect to gain a recognised qualification and 23% have met new people and made new friends.
- Benefits more likely to be reported by men are related to their work. For example, 20% of men have gained or expect to gain a job compared with 13% of women, and 15% of men have been helped/expect to be helped in their current job compared with 12% of women.

Barriers to Learning

- 44% of learners say that there are no barriers to learning. The age group who feel that there are barriers to education are found in the 29 - 30 year age band (StatsWales).
- Practical or financial restrictions (Encompassing caring for others and work/time pressures) form the major barrier to education across all age groups however a lack of motivation is seen as a major reason for disengagement of 16 - 24 year olds. Personal and other barriers have a greater effect on persons aged 55 - 64 years (StatsWales).
- Analysis of the main factors preventing learning in the NIACE report shows that disinterest in further learning accounts for 17%.
- Attitudinal reasons such as feeling too old (19%) or feeling that there is no need to learn anymore (13%) are also identified as main factors, as are work/time pressures (22%), and caring commitments.

- Childcare arrangements form a greater barrier to learning for women than for men (11% compared to 2% respectively).
- Since 2003, there has also been an increase in the total number of people who experience money as a barrier to learning (4% in 2003 rising to 10% in 2007).

Insight Reports

Chemical, Nuclear, Petroleum and Polymer Industries

Energy and Utility

Building Services, Engineering Sector

Construction

Tourism

Active Learning and Leisure Industry

Manufacturing

E Skills

Financial

Lifelong Learning

Renewable Energy

Retail

Automotive Sector

Apparel, Footwear and Textiles Industry

Food and Drink Manufacturing and Processing

Transport

Environmental and Land Based Industry

Cultural and Creative Industries

Health and Social Care in Early Years

Health Industry

Justice Industries

Property, Facilities Management, Housing and Cleaning Industry

Logistics

Media and Journalism
e- Learning
Generic skills
Inactivity
Basic Skills
Non British Learners
Support to learners - disability and SEN
Maths, science, technical, engineering skills
Level 2
Management and Leadership
Welsh Language
Charging for Learning
Participation
Quality
Volunteering
Community education
Mentors
Offender Education
Adult Workforce
Lifelong Learning

These can be accessed at <http://new.wales.gov.uk/topics/educationandskills/research-and-evaluation/124540/?lang=en>