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# Skills implementation plan

## Delivering the policy statement on skills

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# Skills implementation plan

## Delivering the policy statement on skills

### 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 skills implementation plan has been developed to inform future action in relation to post-19 skills and employment policy. The plan follows from the policy statement on skills published by the Welsh Government in January 2014. The aim of the plan is to provide details of the actions to be undertaken by the Welsh Government working with employers, individuals, trade unions and delivery partners.

### Action required

No further action is required.

### 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

*Policy statement on skills* (Welsh Government, 2014); *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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## Ministerial foreword



On 30 January 2014, I published the policy statement on skills which clearly outlined the major challenges facing post-19 employment and skills in Wales. As Deputy Minister for Skills and Technology, I was keen to address these challenges and set out the actions to be taken forward by the Welsh Government working closely with employers, trade unions and delivery partners. This is what I am doing within the skills implementation plan.

The plan sets out the policy actions required in order to develop a sustainable skills system for the future. It has the aim of supporting Wales to evolve into a highly skilled nation

and to create the conditions which will allow businesses in Wales to grow and flourish. To achieve this aim we must have responsible action from government, employers, providers and individuals. The responses to the consultation on proposals for post-19 adult skills delivery have provided a valuable insight into how these joint responsibilities can be taken forward through a policy of co-investment.

The skills implementation plan focuses on providing an integrated and accessible employment and skills offer across Wales. The new Skills Gateway will facilitate access to employment and skills support for both employers and individuals. The plan also sets out how we will strengthen the approach to regional skills delivery, building on the regional structures in place across Wales.

I am committed to continuing the positive work already underway with employers, trade unions and delivery partners over the coming years to deliver this plan. If we work together on this challenging agenda, we can achieve a sustainable and competitive skills system for Wales.

A handwritten signature in black ink, appearing to read 'Ken Skates'.

**Ken Skates AM**

**Deputy Minister for Skills and Technology**

## About this skills implementation plan

The purpose of this implementation plan is to translate the high-level priorities within the policy statement on skills<sup>1</sup> into delivery. The plan sets out key policy actions which will take place between now and 2016–17. These will provide the basis for future employment and skills policy interventions over the next decade.

The scope of this plan is aligned to the policy statement on skills and focuses on post-19 employment and skills policy in Wales. We have noted that, as part of this definition, we need to make close links with the compulsory and post-compulsory education system. This is to ensure that the future workforce reflects our ambition for a highly skilled society, with Level 3 in skill areas that employers value and which are regionally important being a key benchmark. This attainment target is set alongside the need to improve the literacy, numeracy and ICT skills of working adults to at least Level 2 wherever possible. We will also continue to consider the need for Welsh-medium delivery of post-19 skills in line with employer need.

The content of this plan is focused on the policy interventions we will take in the short term to support the post-19 skills system in Wales. It will require further and continued dialogue with employers and stakeholders across Wales in shaping employment and skills policies and programmes as they emerge.

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<sup>1</sup> Policy statement on skills

[www.wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en](http://www.wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en)

## Our ambition for skills in Wales

As presented within the policy statement on skills, our ambition remains to develop a skills system in Wales that supports our future competitiveness, helps us evolve into a highly skilled society as well as tackle poverty, and is sustainable against the backdrop of ever scarcer resources. Our primary focus will continue to be on raising productivity, reducing barriers into work and supporting people into sustainable employment.

The actions described will set the foundation for developing a sustainable skills system in Wales capable of responding to an increasingly global market for skills, and prepare the ground for conditions beyond the next round of European funding.

Building on our policy statement on skills our long-term outlook for the skills system in Wales focuses on:

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

Focusing on higher levels of skills development across the workforce, ensuring that vocational routes are valued and supporting employers to work collectively in responding to their skills needs.

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

Providing an integrated, streamlined and accessible skills and employment offer for individuals and employers and devolving responsibility to delivery partners to develop flexible responses based upon the needs within local communities.

### **Skills that employers value**

Working with employers to develop adult vocational qualifications and apprenticeship frameworks and supporting them to fully utilise the skills of their workforce through developing a culture of high performance working and investment in skills alongside government.

### **Skills for employment**

Supporting individuals to enter employment through access to skills information and work experience opportunities and aspiring that all working adults have a minimum level of literacy, numeracy and ICT skills to support their career progression.

To drive this commitment, and improve our national skills base so that we aspire to remain competitive as a nation, this plan will be underpinned by a series of **Skills Performance Measures**. These measures will be used as the continual reference point when evaluating our policies and programmes to ensure they remain on track to deliver our future ambition.

They are focused on the following four key areas:

### **Jobs and growth**

Improvements in employment and productivity levels.

### **Equality and equity**

Providing equality of opportunity for individuals in accessing post-19 employment and skills support.

### **Financial sustainability**

Ensuring an appropriate and sustainable balance of funding is available to support the skills system sourced from government, employers, individuals and European funding.

### **International skills benchmarking**

Improving the skills profile of Wales to ensure we remain competitive as a nation.

We will develop and define appropriate measures working with employers, individuals, trade unions and delivery partners. We will then publish initial Skills Performance Measures in September 2014. These will fit into a broader evaluation and monitoring framework which will underpin this plan.

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# Skills for jobs and growth

## Our future ambition for jobs and growth

**Focusing on higher-level skills development, ensuring that vocational routes are valued and supporting employers to work collectively in responding to their skills needs.**

## Our actions now

- Integrate **Skills Performance Measures** across our policies and programmes in driving up skills levels across the workforce.
- Invest in skills alongside employers and support employer networks and collaborations through the introduction of a **Flexible Skills Programme**.

## Integrated Skills Performance Measures

The series of **Skills Performance Measures** summarised in this plan will provide a mechanism for driving up skills levels in Wales. We will use these performance measures to establish a unified commitment across all stakeholders in supporting our aspirations for a more highly skilled society and to ensure the investments being made in skills development are aligned with the increase in high-skilled jobs projected in the future<sup>2</sup>.

We will take forward the process for integrating these Skills Performance Measures within the development, delivery and evaluation of our policies and programmes, our contractual relationships with suppliers and to inform public sector procurement processes linked to Community Benefits. The measures will also form a key element of our framework for future regional skills delivery in Wales (see 'Skills that respond to local needs' section on page 8). We will also review the case for use of international benchmarking tools.

Key milestones	
Publication of initial Skills Performance Measures	September 2014
Integration of Skills Performance Measures within policies and programmes	September 2014 – April 2015
Annual review of Skills Performance Measures to commence	April 2015 onwards

<sup>2</sup> Working Futures 2012–2022

[www.gov.uk/government/publications/working-futures-2012-to-2022](http://www.gov.uk/government/publications/working-futures-2012-to-2022)



## Investing in skills alongside employers and supporting employer collaboration, networks and innovation

We are committed to working with employers to maximise the opportunities to grow their skills base. To support this we will introduce a **Flexible Skills Programme** to provide targeted skills interventions where recruitment and skills needs cannot be met through other existing provision or where there is a clear case for direct involvement by the Welsh Government. We will work closely with other Welsh Government departments, particularly the Department for Economy, Science and Transport, in responding to employer need where required, in parallel with our regional skills delivery approach which will ensure skills support is firmly focused on the regional economic needs and opportunities presented, for example through Sector Panels, Enterprise Zones and City Regions.

Through the **Flexible Skills Programme** we will also provide opportunities for testing new innovative approaches to skills delivery, building on the current Sector Priorities Fund model operated by the Welsh Government. The focus will be on the development, testing and capacity building for future mainstreaming of new skills provision from Level 2 to Level 5 where there is evidence that employer need cannot be met through existing delivery arrangements. The programme will be open to employers, employer-focused bodies and other consortia, with the aim of enabling and encouraging the development of flexible, industry-led skills solutions.

Key milestones	
Introduction of initial phase of the Flexible Skills Programme	September 2014
Integration of co-investment policy as part of programme specification and delivery arrangements	August 2015
Mid-programme review and evaluation	October 2017

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# Skills that respond to local needs

## Our future ambition for local skills delivery

**Providing an integrated, streamlined and accessible skills and employment offer for individuals and employers and devolving responsibility to delivery partners to develop flexible responses based upon the needs within local communities.**

## Our actions now

- Deliver an integrated employment and skills programme using the brokerage function of a new **Skills Gateway**.
- Build on the regional structures in place across Wales to develop the long-term infrastructure required to support a model for **regional skills delivery**.
- Improve the quality and impact of skills provision locally with the introduction of our **Skills Priorities Programme**, working with the further education sector to continue to ensure that it is responsive to employer need.

## Delivering an integrated approach to employment and skills support

To coordinate the strategic investment we will make in skills alongside employers, individuals and our key delivery partners, we will introduce a **Skills Gateway** to provide a consistent brokerage function for accessing skills and employment support.

The Skills Gateway will operate via an online, telephone and face-to-face service and will be accessed by individuals and employers. For employers, the Skills Gateway will provide a mechanism for conducting a skills assessment to inform the development of a business learning plan as the basis for directing employers to relevant skills provision at either a national, regional or local level. For individuals, the Skills Gateway will also incorporate a standardised assessment of skills and job readiness as a basis for enabling more effective job matching and brokerage (see 'Skills for employment' section on page 14).

We will work with our regional delivery partners and Careers Wales to ensure that the Skills Gateway is used as a first route for all individuals and employers wishing to access skills and employment support in Wales, whatever their location and needs. This includes working alongside our proposals for a **regional skills delivery** structure to ensure the Skills Gateway fully incorporates those skills and employment services available at a regional or local, as well as national, level. We will use the Skills Gateway to support employers to identify and take action on the skills of their workforce, for example recognising the business benefits associated with Welsh language skills in key sectors.

The Skills Gateway will also provide an enhanced accreditation service that can either incorporate or work alongside the Investors in People Award and the Employer Pledge to act as a single means of promoting and rewarding employers who invest in the skills of their workforce. It will also provide a method for capturing, reviewing and disseminating Labour Market Information (LMI) as it is made available from employers and individuals in order to ensure that skills provision is suitably tailored to meet industry needs, that LMI effectively informs people's choices, and that we capitalise on labour market opportunities.

Key milestones	
Launch of Skills Gateway	October 2014
Mid-programme review and evaluation	October 2017

### Strengthening the approach to regional skills delivery

We will build on the regional structures in place across Wales to develop the long-term infrastructure required to support a model for **regional skills delivery**. Our ambition is to stimulate demand for employment and skills support by providing the flexibility to develop responses based upon local and regional need. This will enable the Welsh Government to align regional learning provision to wider strategic investments and growth opportunities.

Effective regional skills delivery will require ensuring that regional skills partnerships become more inclusive and industry-aligned in order to have greater influence and impact, working in tandem with City Regions and Enterprise Zones.

We will define what is expected from each regional partnership in terms of an annual 'Regional Employment and Skills Plan' which will translate into outcome agreements so performance metrics may be measured.

It is likely that distinct but complementary approaches will be developed across the regional partnerships to broker the creation of strong regional structures able to act collectively and strategically, focused on key priorities for investment but recognising existing regional differences.

We are tasking the regional partnerships with the following four key roles.

- To produce and analyse LMI aligned to economic intelligence to inform the skills requirements in the regions and inform our future priorities for funding linked to our co-investment policy.
- To provide a mechanism to review regional skills provision and advise the Welsh Government on future prioritisation of skills funding in line with regional employment and skills needs.
- To act as a strategic body effectively representing regional interests to inform a demand-led and sustainable skills system, ensuring that this is informed by strong industry engagement and takes into account the level of skills utilisation in the region.
- To act collectively and strategically to maximise future available funds acknowledging the likely reduction in public funds over the coming years.

We will evaluate and respond to the investment priorities articulated by each region. We will encourage regional plans to align with and complement Welsh Government policy to maximise the impact and investment of future skills funding. The key outcomes from the plan will be to support and develop the existing and future skills base in line with economic drivers for the region.

<b>Key milestones</b>	
Regional skills partnership structures identified	October 2014
Regional Employment and Skills Plans agreed with Welsh Government	April 2015
Regional Employment and Skills Plans refreshed annually	From April 2016
Evaluation of impact of Regional Plans on prioritisation of Welsh Government funding	From 2016–17

### Improving the quality and impact of skills provision locally

Our **Skills Priorities Programme** will focus on the vital role of further education in responding to local employer demand for skills. The programme will deliver vocational skills provision through further education institutions in line with regional and local employer demand for skills between Level 2 and Level 5.

The Skills Priorities Programme will be introduced through a phased approach with year 1 (2014–15 financial year) being a pilot year to test various aspects and options for delivery in preparation for year 2 (2015–16 financial year) onwards. After the pilot phase it is expected that more stringent criteria will be introduced, aimed at ensuring greater responsiveness to employer demand and more effective targeting in line with local and regional labour market needs and opportunities, supported by our approach to regional skills delivery.

<b>Key milestones</b>	
Introduce pilot Skills Priorities Programme	September 2014
Introduce full Skills Priorities Programme, incorporating co-investment policy as part of programme specification and delivery arrangements	September 2015
Mid-programme review and evaluation	October 2017

# Skills that employers value

## Our future ambition for a skills system valued by employers

**Working with employers to develop adult vocational qualifications and apprenticeship frameworks and supporting them to utilise fully the skills of their workforce through developing a culture of high-performance working and investing in skills alongside government.**

### Our actions now

- Establish **Sector Qualification Advisory Panels** to support the development of vocational qualifications relevant to Wales, supported by the future function of **Qualifications Wales**.
- Work with employers to pilot **skills utilisation agreements** to ensure skills are effectively deployed by employers and to tackle levels of over-qualification.
- Implement a **policy for co-investment** in Wales which balances the responsibilities for skills investment between government, employers and individuals.

### Introducing Sector Qualification Advisory Panels

In bringing employers closer to the development of vocational qualifications and the National Occupational Standards (NOS) that underpin their design, we will establish **Sector Qualification Advisory Panels**. These Sector Qualification Advisory Panels will provide insight across economic sectors so that we ensure our vocational qualifications provide the skills needed for future employment and career progression at all levels.

To underpin the work of our Sector Qualification Advisory Panels we anticipate the need to **consult on the future of apprenticeship frameworks** in Wales. Through this consultation we will seek to work with employers and our wider stakeholders in gaining their views on how Wales can develop an approach to apprenticeship framework development which reflects our future needs and priorities. This consultation will also provide further evidence to support the implementation of a co-investment policy for Wales.

To support our commitment to a strong vocational education system in Wales we intend to bring forward legislation which, subject to the will of the National Assembly for Wales, will establish **Qualifications Wales** thereby simplifying and strengthening confidence in the qualifications system in Wales.

Key milestones	
Consult on the future of apprenticeship frameworks in Wales	October 2014
Sector Qualification Advisory Panels established in 10 sectors	December 2014
Establish Qualifications Wales	September 2015

## Delivering skills utilisation agreements working with employers

We will work with employers and other stakeholders to ensure that learners and employees have the right skills and qualifications to maximise economic productivity and growth in Wales. Part of the solution to this issue lies in greater utilisation of skills within the workplace. We have reviewed examples from across the UK which promote better use of skills amongst employers and believe that there is scope to develop similar approaches for Wales.

To support the development of policy in this area we will pilot **skills utilisation agreements** in two key sectors within Wales – construction and the creative/media industries. The pilots will test approaches within these sectors for addressing areas of over-skilling or over-qualification with a view to potential rollout to other sectors and linking to Regional Employment and Skills Plans.

Key milestones	
Commence pilot skills utilisation projects in two key sectors	October 2014
Review pilot outcomes and make recommendations on rollout to other sectors	October 2015

## Implementing a policy of co-investment in skills

In February we consulted on the future arrangements for introducing a policy for co-investment in post-19 adult skills delivery<sup>3</sup> which will operate between government, employers and, in some instances, individuals. The responses to that consultation provided a valuable insight into the perceptions across employers and key stakeholders on how best to implement co-investment in Wales. A summary report of the consultation responses is available on the Welsh Government website<sup>4</sup>.

Co-investment is representative of the wider reform agenda required across the skills system in Wales to ensure it remains competitive and sustainable into the future. Implementing a co-investment policy is essential if we are to redress the financial pressures facing post-19 skills delivery in Wales. This includes the lag in employer investment in skills compared with the UK average, the dependency and grant culture this has created, and the longer-term availability of European funding post-2020.

Detailed overleaf are the funding principles that will underpin our co-investment policy. We will continue to engage and work with our stakeholders to review and refine these principles in readiness for the publication of full co-investment guidelines in October 2014.

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<sup>3</sup> The definition of co-investment is where the total cost of training, in cash terms, is shared between two or more stakeholders. These stakeholders are broadly from three key groups: employers, government and individuals.

<sup>4</sup> [www.wales.gov.uk/consultations/education/proposals-for-co-investment-in-post-19-adult-skills-delivery/?status=closed&lang=en](http://www.wales.gov.uk/consultations/education/proposals-for-co-investment-in-post-19-adult-skills-delivery/?status=closed&lang=en)

## Published funding principles

### Responsibilities of government

- Apprenticeship provision at Level 3 and below for under 25s.
- Support for up to Level 2 in Essential Skills for the majority of adults.
- Support for individuals who are seeking employment<sup>5</sup>.

### Areas for co-investment

- Apprenticeship provision at all levels for the over 25s where the cost of delivery will be shared between employers, with government providing a nominal contribution of up to 50 per cent.
- A nominal contribution of up to 50 per cent from government to support employers to invest in accredited training for those 19+.

### Responsibilities for employers or individuals

- Self-financed training by individuals where no form of government funding is available.
- Non-accredited training or informal learning.

Where appropriate we will take account of the responses to the post-19 skills funding consultation and we will review and evaluate how our existing contractual and grant funding arrangements relating to post-19 employed status skills delivery might be adapted to include appropriate conditions of funding.

We will consider the nature of conditions of funding, including whether the Welsh Government may provide detailed pricing guidelines or whether the autonomy for contribution levels will fall to individual institutions, providers or regions. These considerations will also include determining where specific exemptions and considerations should be given that may impact upon the published funding principles and, where appropriate, taking account of the responses to the consultation.

The detailed funding guidelines for co-investment will be published in October 2014 with the current intention to commence implementation from April 2015. Following this, further consideration will be given to those aspects of the co-investment arrangements which might be impacted by the Diamond Review of Higher Education and Student Finance Arrangements in Wales reporting in 2016.

### Key milestones

Co-investment guidelines issued	October 2014
Co-investment guidelines integrated into policies/programmes	From April 2015
Policy review and evaluation	October 2017

<sup>5</sup> This excludes those in part-time employment and those being supported under programmes operated through the Department for Work and Pensions (DWP).

# Skills for employment

## Our future ambition for a skills system that supports employment

**Supporting individuals to enter employment through access to skills information and work experience opportunities with the aspiration that all working adults have a minimum level of literacy, numeracy and ICT skills to support their career progression.**

### Our actions now

- Simplify arrangements for accessing skills and employment support through the introduction of a **Skills Gateway**.
- Provide employment support arrangements that add value to those available via the Department for Work and Pensions (DWP), including continuation of our flagship programmes **Jobs Growth Wales** and **ReAct**.
- Expand the provision of Essential Skills support through the introduction of a new **adult employability programme**, underpinned by a standardised assessment tool for identifying literacy and numeracy needs.

### Simplifying arrangements for accessing skills and employment support

We will use our **Skills Gateway** to provide individuals with access to employment and skills advice, with particular attention paid to matching individuals with local employment opportunities. To support the Skills Gateway, our aim is to standardise the initial identification and categorisation of skills and work readiness, working alongside DWP and Careers Wales. This standardised initial assessment will support individuals going through the Skills Gateway in accessing the widest possible support relevant to their skills and reflecting local labour market opportunities.

We will seek to ensure that the Skills Gateway is linked to other key Welsh Government programmes such as Families First, Communities First and the new LIFT programme – which are supporting low income households to secure employment and learning opportunities – and that access to all, for example disabled people, is facilitated.

Key milestones	
Launch of Skills Gateway, including standardised initial assessment of skills and work readiness	October 2014
Mid-programme review and evaluation	October 2017



## Providing employment support arrangements that add value

Our focus will continue to be on defining a clear employment offer for the people of Wales which aligns with the support available via the UK Government. This work is being taken forward through the joint Welsh Government, DWP and Wales Office **Access to Employment Working Group**.

As part of this work we are testing the approach to skills conditionality in Wales, in partnership with DWP, in order to determine the extent to which the policy should or should not be adopted as part of our new adult employability programme.

In the meantime we will continue to deliver our **Work Ready** employability programme and will introduce **ReAct III** as a successor to the current ReAct II programme to ensure support remains available to those individuals at risk of redundancy.

We will also continue to support young people as part of the practices and support mechanisms identified through our **youth engagement and progression framework**. This work will be complemented by the success of **Jobs Growth Wales** in providing young people with access to valuable work experience opportunities. These programmes are central to delivering the targets included in the Welsh Government's Tackling Poverty Action Plan for reducing the number of young people who are NEET, reducing the number of households living in poverty and improving the outcomes of those living in low income households.

Key milestones	
Work Ready Skills Conditionality Pilot	April 2014 – March 2015
Introduce ReAct III	July 2014
Define employment offer in Wales	September 2015

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## Focusing on Essential Skills

We remain committed to the principle that Essential Skills at Level 2 provide a strong foundation for individuals to enhance their career progression and provide ongoing job security. To support our thinking on Essential Skills support for individuals we used our consultation on co-investment to consider what additional skills should be supported beyond those relating to the core skills of literacy, numeracy and ICT.

We will continue to deliver our Essential Skills in the Workplace and Work Ready programmes until a new **adult employability programme** is established. The focus of the new adult employability programme will be to support our aspiration for Essential Skills delivery in Wales and, in working alongside support from DWP and other Welsh Government departments, to ensure individuals are provided with a broad set of skills to enhance their employability.

We will also ensure that there is a consistent means of assessing Essential Skills needs through a standardised Essential Skills assessment tool for Wales.

Key milestones	
Extension of Essential Skills in the Workplace Programme	July 2014
Introduce standardised Essential Skills assessment tool	October 2014
Introduce new adult employability programme	September 2015

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