



Llywodraeth Cymru
Welsh Government

Employability plan

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Minister's foreword



It is one of the prime responsibilities of Government to educate, train and prepare people for the world of work and to remove barriers which prevent people from accessing work so that they can make a contribution to society. Our goal is to provide opportunities to create resilient individuals who have the skills, enthusiasm, drive and creativity to fulfil their potential irrespective of ability, background, gender, or ethnicity. In the increasingly complex world where we need to be aware of the needs of sustainability we need to provide employers with enthusiastic, capable and flexible people who can adapt to a fast changing world.

Today Wales has a relatively low level of unemployment, but levels of economic inactivity have remained stubbornly high, despite considerable efforts in this area. There is no doubt that unemployment levels, in particular those who are NEET would have been higher had it not been for significant Welsh Government intervention.

Skills and Employability are priority areas for the Welsh Government because we understand that the better people's skills, the better their chances of getting fair, secure and rewarding employment. We also understand that the stronger the skills base is in Wales, the more chance we have of attracting new businesses and growing existing ones to improve prosperity.

Poverty is still a curse in Welsh society, but there is strong evidence to suggest that employment provides the most sustainable route out of poverty. Today it is important to recognise that there is a growing issue of in-work poverty in Wales so increasing a person's employability and skills with the view of securing in-work progression and reducing a household's risk of living in poverty is therefore critical.

We will encourage employers to work with unions and other social partners where possible to invest in the workforce and to plan for the long-term future of their companies and the future of their staff. We will take on board the recommendations of the Fair Work Board when it reports. We will seek to use all the powers at the disposal of the Welsh Government on a cross departmental basis to eliminate barriers to personal development and employment.

It should be recognised that the world of work is changing and individuals need to work with Government and take responsibility through recognising that the choices they make will impact their ability to find worthy well paid and fulfilling employment in the future and contribute to a society to which they belong.

We will all need to learn to adapt to a fast changing world which is being confronted with radical social, economic, technological and demographical challenges. These challenges will also provide us with opportunities to create jobs as we decarbonise our economy, increase our exports and support a growing ageing population.

People on average in future will change jobs 12 times in their lifetime, and they will need to adapt to a changing society which is ageing and where there will be an expectation for individuals to work for more years where there may well be more caring responsibilities.

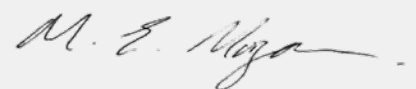
We recognise that too few disabled people are in work, and will work with partners to address the issues behind this, including employer attitudes, job design and working practices.

The UK's skills base lags behind many comparator countries, but constraints in the public finances as a result of the misguided policy of austerity means that a step change in learning will need to be funded by a partnership between the State, individuals and employers.

The speed of technological change is likely to continue exponentially with automation and AI, so those with high technical skills are likely to be the ones who will benefit most from the digital revolution.

The focus until recently has been to focus on developing a knowledge economy which is in pursuit of higher level skills, but this should not be at the expense of developing intermediate skills and foundational economy skills needed by a more balanced economy. We will also take steps to make a reality the parity of esteem between academic and vocational qualifications.

There is much political and economic uncertainty surrounding the exit of the UK from the European Union, and the probable ensuing disruption to our labour market, economy and political landscape. The UK government's continuing programme of austerity has put severe strain on public finances, and is forcing the Welsh Government and local government to deliver services in new ways, with less money. We are seizing this opportunity to innovate, to be creative and to try new approaches to old and newer challenges.



Eluned Morgan AM
Minister for Welsh Language
and Lifelong Learning

Executive summary and recommendations

Providing an individualised approach to employability support

- We are creating a new service to provide employment-related advice and guidance to people in Wales. The Employment Advice Gateway will enable people to talk to a trained advisor about employment and skills, aims and aspirations, and any issues or barriers to work.
- The Employment Advice Gateway will be an independent broker for a range of different support services and interventions. Professional advisors will recommend the most appropriate support for progression into employment.
- Working Wales will be our new employability programme which will contribute to our goal of eliminating the gap in unemployment and economic inactivity rates between Wales and the UK average within 10 years. This programme will reduce the number of people who are not in employment, education or training (NEET), and will support unemployed, economically inactive and those at risk of redundancy, into work.

- We will further develop and enhance our approach to tailored, community outreach, supporting those furthest from the labour market through our Communities for Work and PaCE programmes.
- Promoting inclusivity - we will require the organisations who deliver our programmes to demonstrate commitment to diversity, inclusivity and equality.
- We will prioritise the co-location of local services to simplify employability support for the individual.
- We will provide support for people with physical or mental health issues to access employment.
- We will build on the successful pilot activity conducted through the Taskforce for the Valleys and the Better Jobs Closer to Home programme to provide a holistic view of local and regional employability support.
- We will coordinate and monitor our actions to tackle economic inactivity and unemployment with partners in this area to minimise duplication and to learn from best practice.

Underlining the responsibility of employers to up-skill their workers, support their staff and provide fair work

- The Economic Contract outlined in our Economic Action Plan will require businesses to support the health, wellbeing and progression of their staff.
- We will work with the Confederation of British Industry (CBI), Federation of Small Businesses (FSB), Institute of Directors (IOD) and Chambers of Commerce to provide opportunities for employers to share best practice to get the best out of their workforce and we will encourage businesses to recognise the positive role that Trade Union Membership can have on growth, productivity and the commitment of their workforce¹.
- We will continue to provide quality all-age apprenticeships linked to national and regional priority sectors.
- We will extend our approach to procurement processes and the need to include community benefits to all significant capital investment contracts.

¹ <http://www.123helpme.com/role-trade-union-can-play-in-productivity-preview.asp?id=266116>

- We will work to increase the number of employers who place emphasis on creating workplaces which are inclusive and supportive environments for disabled people and those with long-term health conditions. We will increase the number of disabled people in work.
- We will take action to reduce the gender pay gap.

Responding to current and projected skills gaps

- We will eliminate the gap between Wales and the rest of the UK at all qualification levels in ten years, and ensure in future as a minimum, we maintain our performance relative to the rest of the UK.
- We will set out a national framework to prioritise the areas where we see growth potential and skills gaps focussing in particular on those areas identified as priorities in the Economic Action plan.
- We will strengthen the governance and expertise of the Regional Skills Partnerships to ensure that they provide regional leadership and robust labour market intelligence, using funding incentives to increase their influence on skills provision in each region.

- We will encourage the recognition of the Welsh language as a skill amongst employers both in the public and private sectors.
- We will work with Universities, colleges, schools and Careers Wales to identify how they can encourage learners to undertake courses which would be beneficial to the Welsh economy and where we are aware that shortages exist.
- We will work with specific sectors who are at risk from a poor Brexit deal to identify potential skills gaps.
- We will capitalise on the opportunities provided by our focus on the Foundation Sectors of our economy to encourage local and regional growth and innovation in relation to skills.
- We have already published our Childcare, Play and Early Years workforce plan, and we will develop a specific workforce plan for social care.

Preparing for a radical shift in the world of work

- We are reforming our Education system to encourage ambitious, capable and adaptable learners who can contribute creatively and enterprisingly to the world of work of tomorrow, as informed and confident citizens.

- We will pilot a programme which will introduce an individual learning account for workers to fund personal vocational retraining in sectors where there is a skills shortage.
- We will convene an Expert Panel on Automation to review evidence and make recommendations within nine months on steps we should take to mitigate the employment impact of automation and take advantage of opportunities which the new technologies will provide.
- We will undertake work with the FSB to identify where we can provide support for the self-employed and micro-businesses and we will encourage networks for people to develop business ideas.
- We will use the Well being of Future Generations Act as a guide to ensure that we are taking advantages of the employment opportunities that arise as a result of climate change prevention and mitigation.

Case study



Elijah Sumner, Cardiff Bay Motors, Cardiff

High level skills are an important driver of productivity and access to these qualifications must be available to all.

After leaving school Elijah started a three year Level 3 apprenticeship in Automotive Technology at Halfords Auto Centre in Pontypridd. During his apprenticeship he honed his skills by entering a number of skills competitions; a journey which saw him progress to represent Wales as part of Team UK at WorldSkills São Paulo 2015, the world's largest international biennial skills competition. Elijah was awarded a Medallion of Excellence for reaching the world class standard in Automotive Technology.

After completing his apprenticeship, he then went on to pursue his dream of opening his own business and set up an auto electronics garage, Cardiff Bay Motors, diagnosing and repairing electrics in cars.

Elijah says *"My apprenticeship opened so many doors for me. Not only can I say I am the best automotive apprentice in Wales, but I am one of the best in the world. I want all young people to have the same chances that I had. I still have links with WorldSkills and act as a Skills Champion, travelling to countries around the world to promote learning skills. My business is still in the early stages, so I am focusing on that at the moment. Technology evolves so quickly in the automotive industry, so there is always something new to learn"*.

The Apprenticeship Programme, led by the Welsh Government, is supported by the European Social Fund.

Targets

- Through this plan we will contribute to increasing productivity levels in Wales in the next decade.
- We will eliminate the gap in working age unemployment and economic inactivity rates between Wales and the UK average within 10 years.
- We will eliminate the gap between Wales and the rest of the UK at all qualification levels in ten years, and ensure in future as a minimum, we maintain our performance relative to the rest of the UK.
- We will reduce the number of people who are NEET in Wales. There are approximately 57,000 16-24 year olds in Wales who are NEET².
- We will work with partners to identify suitable targets for increasing the number of disabled people in work.
- We will set a target in partnership with Public Health Wales to increase the number of employers engaged in the Healthy Working Wales Programme.

These targets will be regularly monitored and we will issue annual progress reports. We will provide statistics on a regional basis to ensure that we are on track for delivery.

We will deliver this through four key mechanisms:

Providing an individualised approach to employability support.

Underlining the responsibility of employers to up-skill their workers, support their staff and provide fair work.

Responding to current and projected skills gaps.

Preparing for a radical shift in the world of work.

Vision

We will work towards making Wales a full employment high tech, high wage economy where we are preparing people for a changing world of work, whilst ensuring that the benefits and employment opportunities provided by the Foundational Economy are retained locally. We will provide people of all ages and abilities with high quality education and skills to meet the challenges and work opportunities of tomorrow and we will aim to instil in everyone a passion to learn throughout their lives, inspiring them with the ambition to be the best they can possibly be. We will work in partnership to deliver this, and to remove any barriers which stop people from contributing to the world of work.

² 2016 statistics accessed via <https://stats.wales.gov.wales/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Lifelong-Learning/Participation-of-Adults-and-Young-People/estimated1624neet-by-economicactivity-agegroup>

Case study



Lone parent and Mum to four children, Jackie, had been unemployed and on income support for a considerable amount of time. She had a complicated life and faced significant challenges over many years balancing the needs of her teenagers and young children, and as a result she hadn't had a chance to focus on her own career choices.

Jackie had previously worked as a cleaner but held a lifelong ambition to follow in her father's footsteps and become a bus driver. She had been actively looking for work but did not have any recent work experience and found herself continuously unsuccessful in securing any interviews.

With the help of her PaCE (Parents, Children and Employment) Adviser, through the Welsh Government and European Social Fund project, Jackie has secured her dream job with a local bus company. She received expert help to update her CV, support to arrange and fund appropriate childcare for her two youngest children, and enrolled on a course to gain her PCV license. On gaining her qualification, she was also supported to apply for jobs and is now employed with the same company where her father works.

Now Jackie feels that she will never be out of work again and can't believe that she is going to get paid for doing something that she loves.

Context

Building on success

Since devolution twenty years ago, the employment rate in Wales has continued to rise. It is now 72.7%, with a 4.9% unemployment rate. Our employability programmes have been successful; Jobs Growth Wales, ReAct, Lift and others have supported tens of thousands of people into work over the last decade. Without these programmes to address previous labour market challenges, employment rates in Wales may have suffered. The economic context has now changed. The instability surrounding Brexit and the potential loss of EU funding which has underpinned many of our programmes means we will need to rethink our approach to employability support.

With the full spectrum of education and skills development devolved to Wales, we can support the skills needs of employers, including innovative skills support which will attract investment projects to Wales over the next 10 years. We offer highly responsive employer-focused skills support to address skills gaps which employers face. We have an excellent track record of utilising and tailoring our offer to meet employers' skills needs to ensure that their projects succeed in Wales.

Continuing challenges

Whilst employment rates are high, this isn't distributed equally across Wales. Geographical variations in employment opportunities particularly affect rural communities and our valleys communities.

Some groups including minority ethnic groups, women and disabled people have poorer labour market outcomes and there is still a significant gender pay gap.

Too many people in Wales aren't active in the labour market – not seeking or unable to take up work, due to temporary or long-term health conditions, caring responsibilities, or other barriers to employment. There are approximately 120,000 people in Wales who are economically inactive, but would like to work³.

Underemployment and in work poverty is a challenge, with many in short-term insecure and low paid jobs. 40% of people in Wales living in poverty are in employment⁴. 39% of Universal Credit recipients are in employment⁵.

Wales needs to increase the quality of work and ensure an opportunity for in work progression.

Why we need an employability plan

Work is good for individuals; there is clear evidence that being in good work can promote health and wellbeing⁶, the money earned contributes to independence and self determination, and being in work is the best way to alleviate poverty.

We know that for the benefits of work to accrue it must be good work; fairly paid, stable and meaningful. Our Fair Work Board is examining the levers available to the Welsh Government to help drive fair work practices and will report later this year. We will take their recommendations into account in the implementation of this Plan.

Employability is often understood as an individual's personal capacity or suitability for work. Ensuring people have the right skills for the workplace is crucial, but individual circumstances and barriers to work can also impede the opportunity to work for many people.

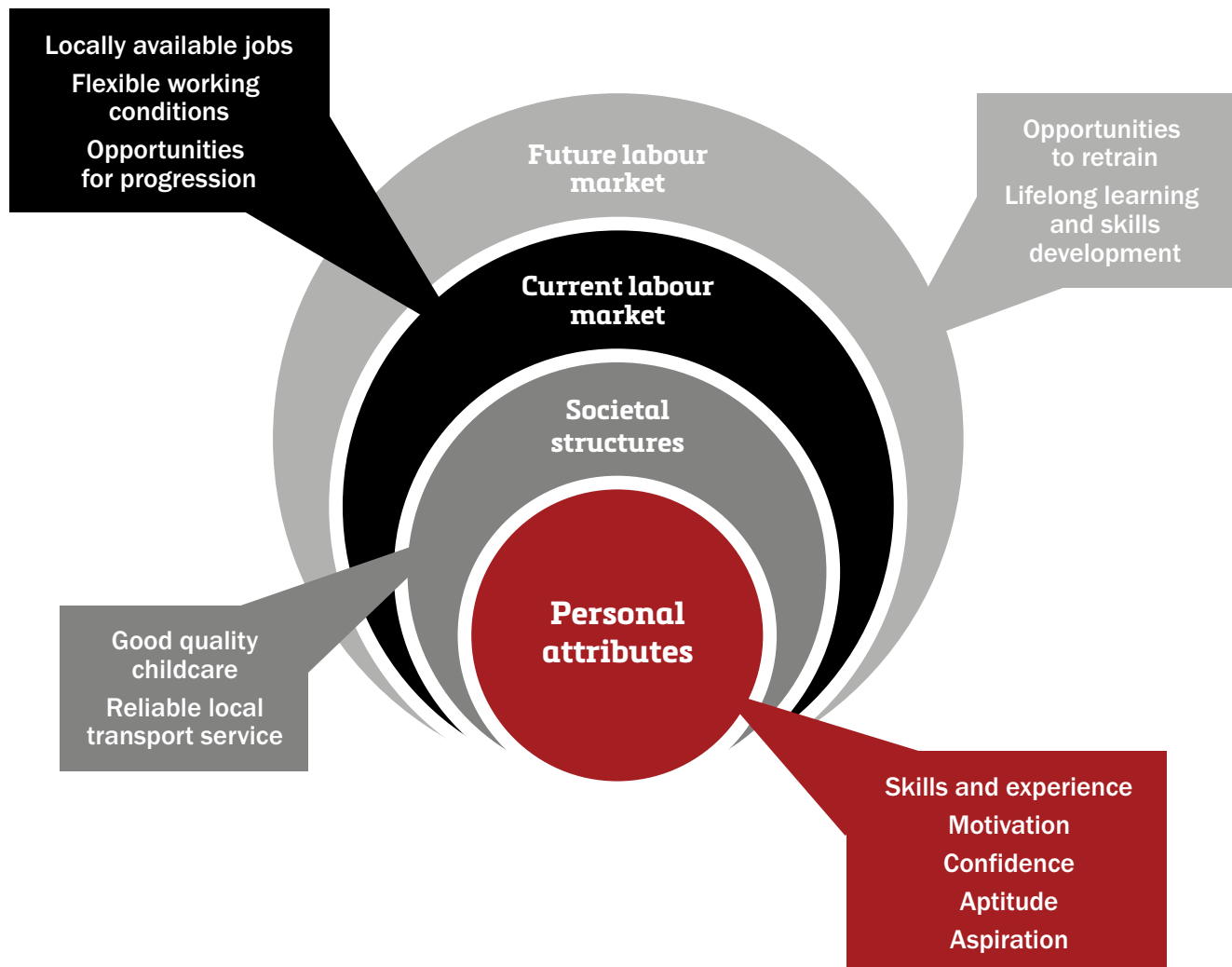
³ Welsh Government analysis of the Annual Population Survey 2015 Q2, ONS

⁴ Inquiry into Poverty in Wales: Poverty and Inequality, National Assembly for Wales, June 2015

⁵ Social Security Advisory Committee Occasional Paper 19: In-work progression and Universal Credit, November 2017

⁶ Waddell, G. and Burton, A.K (2006). Is work good for your health and well-being? TSO

What Employability Means



Availability of good quality child care and adult social care, efficient and affordable public transport, access to health care and particularly occupational healthcare are crucial; if these services work well, they enable a person to take up work, rather than creating barriers to employment. Matching people to the opportunities that fit their abilities and aspirations will help

them to thrive and progress in work.

The nature and type of work available is also important. There is regional and sectoral variation in the number of vacancies, both new and existing jobs. The design of these jobs has an impact on who is eligible to apply for them; the hours of work, remuneration, skills and entry requirements. And

the method by which these posts are filled is important; if and where they are advertised and how they are assessed. Discrimination in recruitment or promotion must be addressed to ensure equality of opportunity for all.

This Employability Plan will align with the Economic Action Plan, driving inclusive growth, improving productivity and future proofing our

economy against the challenges ahead. Technological developments such as automation, artificial intelligence and digitalisation will create some challenges but also provide opportunities for innovation and growth. Driven by a need for flexibility and adaptability, the labour market requires a workforce with an entrepreneurial flair to innovate and create opportunities for themselves and others.

We are taking action now to develop the high skilled workforce we will need in future.

The employability of our nation is crucial not only to its economic future, but also the type of society we want to live in. Our employability agenda doesn't stop with finding work; staying and progressing in work is also vital. Losing a job is strongly associated with a move into poverty ⁷. The longer someone is out of work, the lower the chance of ever returning to work and the higher the risk of poverty and social exclusion⁸.

However, areas of economic deprivation have higher unemployment and economic inactivity rates.

A four point plan:

Providing an individualised approach to employability support: rather than offering a wide range of programmes, we are providing bespoke solutions for those in greatest need of employability support and tailored support of varying intensity to all people looking for work;

Underlining the responsibility of employers to up-skill their workers, support their staff and provide fair work: we will encourage employers to play their part in promoting healthy and inclusive workplaces and prioritising skills development so those in employment can thrive in work.

Responding to current and projected skills gaps: we are using the levers at our disposal to match supply and demand for today's local, regional and national labour markets.

Preparing for a radical shift in the world of work: mindful of the rapid developments in automation, artificial intelligence and digitalisation, we are developing an education and training system that will prepare our nation for the challenges and opportunities of tomorrow.

⁷ New Policy Institute, 2014

⁸ Machin and Manning, 1999; Petrolongo, 2013/14; New Policy Institute, 2014

Case study



Marc Pugh Happy Horse Retirement Home, near Brecon

We want a national employability system that takes account of regional and local context. We will work with partners to capitalise on local growth opportunities, tailor activities to the bespoke needs of regions and support all parts of Wales to benefit from growth.

Happy Horse Retirement Home, near Brecon, is going from strength-to-strength with Welsh Government support. Owner Nicky Van Dijk explains that *“the support received has been of great value for a small business like ours in the equine industry. We’ve had four recruits and two have stayed on to further their career. One is now my manager, and the other, my assistant manager. They’re huge assets to the team”*.

Assistant manager, Marc Pugh, has helped expand the business since joining Nicky’s team, and he credits Jobs Growth Wales with opening the door to his dream career. He said *“when I finished college, I spent so much time looking for a job. I’ve had horses all my life and have three of my own now, so when I heard about the opportunity available with the Happy Horse Retirement Home, it was so appealing.”*

The business, which offers a variety of staff training and has helped train nine apprentices in the past few years, was named Small Employer of the Year at the Apprenticeship Awards Cymru in October. Owner Nicky said *“I am absolutely thrilled for the company that we have achieved recognition for everything we do to train young people.”*

The Jobs Growth Wales and Apprenticeships programmes, led by the Welsh Government, are supported by the European Social Fund.

Providing an individualised approach to employability support

What are we seeking to achieve?

Our key ambition here is not only to find jobs for those who are unemployed, but also to give sensitive and intensive individual support to those who are economically inactive but who wish to work. We will create a more streamlined and efficient system of support to help people into work. This will be responsive to an individual's needs and will be easier to access and navigate for individuals and their advisers. We will take account of personal circumstances, barriers, aptitudes and ambitions. We will provide holistic and inclusive support for people seeking employment – complementing the inclusive growth agenda set out in the Economic Action Plan. Recognising that some people need additional support to adapt to employment, we will provide this in certain cases for up to six months into employment.

Why are we doing this?

We are supporting people who are not working with a particular emphasis on those who are economically inactive and less likely to be in contact with mainstream employment support. Unless we address the issue of the numbers of economically inactive people in Wales we will never reach competitive levels of productivity.

Due to their circumstances, some in this group may have complex barriers preventing them from entering work such as physical or mental health conditions, caring responsibilities for children or elderly relatives, or transport needs. A contextualised programme of support that identifies and addresses those barriers will provide the best chance of success.

The current landscape of skills and employability support is too complicated for individuals and advisers to make a reasonable judgement on the most appropriate intervention.

How will this work?

We offer a range of support to people at different stages in their journey towards work. We will work towards closer alignment of our programmes and will ensure that they are cross referring where appropriate.

We are creating a new service, the Employment Advice Gateway, to provide employment-related advice and guidance to people in Wales.

This will enable people to talk to a trained advisor about employment and skills, aims and aspirations, and any issues or barriers to work.

The Employment Advice Gateway will be an independent broker for a range of different support services and interventions. Professional advisors will recommend the most appropriate support for progression into employment.

Careers Wales will be given an enhanced role to operate the Employment Advice Gateway in addition to providing stronger and closer links with employers through the new Education Business Exchange service and by closer alignment with the work of Business Wales.

Wales has a national, all-age, impartial and fully bilingual careers information, advice and guidance service delivered by Careers Wales digitally and in person. This service has a key role to play in supporting individuals to make sound choices in respect of their education, training and work. It equips people with the career management skills they will need to draw upon throughout their working lives, and with up to date regional and national labour market information that should inform career decisions.

We will introduce a new employability programme – Working Wales.

Our new employability support due to start in April 2019, is nationally designed and monitored but is flexible enough to meet local and regional needs of individuals, employers and the labour market. We are providing support networks to people who may not have a network of contacts to help with job seeking.

The programme will support unemployed, economically inactive and NEET) individuals aged 16 and over to enter sustained employment, an apprenticeship, or self employment.

Working Wales will have 3 strands: Youth engagement (16-17 year olds further from the labour market), Youth Training (16-17 years old closer to the labour market) and adults (18 and over). We are extending the Engagement and Progression Framework to adults, initially for those up to 25 years of age building on a data sharing protocol with DWP. We will work in partnership with others working in this arena, including the voluntary sector, to avoid duplication of effort.

We will reduce the number of people who are NEET in Wales and monitor progress locally.

We have a good record on reducing the number of people who are NEET in Wales, largely as a result of Welsh Government initiatives such as the Youth Engagement Progression Framework (YEPF). The Youth strands of Working Wales will align with the YEPF. We recognise that we must continue to drive down the numbers of people who are NEET in Wales in particular in those areas of high concentration. We will therefore continue to strengthen systematic approaches for supporting young people back into education, employment or training through robust mechanisms that better identify, support, and track young people at risk of dropping out of the system. This will be done with a range of partners including: schools, colleges, local authorities, Careers Wales, youth workers and training providers.

Our programme Communities for Work (CfW) will be supplemented by additional funding.

CfW Plus will support extended coverage of outreach staff to work in the heart of more communities across a wider geographical area. This will support people in libraries, community hubs and playgroups, and in a range of other settings to engage with those not engaged with services. Support is provided for those furthest from the labour market on a range of issues, including soft skills such as confidence, resilience, and team work.

CfW is a joint Welsh Government, European Social Fund (ESF) and DWP programme which targets young people who are NEET and adults who are economically inactive and long-term unemployed. Advisers work with those furthest away from the labour market living in the most deprived communities of Wales.

We will provide support for Childcare and elderly care.

Parents Childcare and Employment (PaCE) will continue to work with parents who are NEET or economically inactive. Parents receive financial help with childcare in order to access education, training or employment opportunities.

Our childcare offer will provide eligible working parents with 30 hours of government-funded early education and childcare for three and four year olds for up to 48 weeks a year. This continuing commitment to support working families with childcare will make it easier for parents to enter sustainable jobs, increasing their employment options. Since September 2017, we have been piloting the offer in seven Early Implementer Local Authorities. We intend to expand the offer into other Local Authorities during 2018 and 2019, prior to full national roll-out in September 2020.

We recognise that more people have caring responsibilities for elderly relatives, and we will investigate what measures can be put in place to support workers with these responsibilities.

We will provide support for transport to access work and study.

We will continue to provide funding to ensure access to key employment, service and education centres across Wales. We will explore the potential for extending the age of discounted bus travel up to 24 year olds, potentially allowing us to help more young people make the most of bus travel across Wales.

Evidence suggests that a lack of affordable transport options is also a barrier to accessing training and employment opportunities. Connectivity is key to addressing economic inactivity, ending isolation and opening up opportunities for all.

We continue to provide substantial funding in support of Wales's bus network. Through Bus Services Support Grant we have allocated £25m to local authorities for 2017-18 to help them subsidise a range of bus and community transport services throughout Wales. These are services which would not run without public funding.

Promoting inclusivity: We will require the organisations who deliver our programmes to demonstrate commitment to diversity, inclusivity and equality.

We want our employability programmes to be accessible to all; we are building in consideration of the impact of our programmes on those with protected characteristics during their design, roll out and evaluation. We will undertake an equalities review of Working Wales, PACE and CfW to ensure that their operations are inclusive and sensitive to the

needs of people with protected characteristics. We will examine the impact of our actions on women, disabled people and Black, Asian and Minority Ethnic (BAME) people.

We will monitor our programmes to ensure gender equality.

We must ensure that women are adequately represented in relation to levels of seniority within organisations and sectors, particularly those who are delivering government funded programmes. We will also monitor differences between sectors or occupations. We will closely monitor longer term employment outcomes of people who access our support, with a particular focus on women.

We will reduce the number of disabled people out of work.

Working with partners, we will establish appropriate ten year targets to focus our efforts. Where adaptation to mainstream provision is appropriate, we will encourage organisations funded by Welsh Government to provide tailored traineeship opportunities for those disabled people who need it.

Case study



Sara Roy, KWT Accounting, Deeside

The Welsh Government will provide an individualised approach to employability support which will take account of personal circumstances, barriers, aptitudes and ambitions.

Sara Roy, 49, decided to give up work to care for her mother after she was diagnosed with Alzheimer's. With a teenage daughter to look after as well, she found it impossible to juggle work on top of taking care of both her daughter and mother. When her mother passed away last year, Sara didn't know what to do with herself and lacked the confidence she needed to get back into work.

Sara said "After being out of work for a whole decade I felt like I was completely out of touch with the skills I needed to do the clerical work I did previously. With

the digital world taking over and new programmes constantly being produced, I was very aware that I probably wouldn't possess the appropriate qualifications or competencies needed to secure an admin role. To be honest, I thought I was probably too old to get back onto the career ladder."

With Welsh Government support, Sara did a part-time digital skills course, received help with her CV and interview techniques, and secured a two-month placement with KWT Accounting as an accounts assistant. She's since been taken on permanently and says that the help she received from Welsh Government has been "a brilliant way of helping me to get back into work and shake off any anxieties I may have had regarding my age and abilities".

In Wales just 45% of working-age disabled people⁹ are currently in employment, compared to 79% of those not disabled. This is a disability employment gap of 34 percentage points. This gap is larger for disabled people who have no or few qualifications, and for those with particular conditions, such as mental health conditions or multiple impairments. In Wales, Citizens Advice report that disabled people are almost three times more likely to leave their job in any given year.

We recognise that everyone is different, and that people have different needs, abilities and requirements. Our individualised approach to support will help to provide tailored solutions for example, for disabled people.

Health and disability benefits are vital to give working-age disabled people or those with a long-term health condition a secure income and help to meet additional living costs. There have been significant changes to welfare benefits with the introduction of Universal Credit and Personal Independence Payment. We will work with DWP in Wales to understand how these changes are impacting disabled people, and how adverse effects may be mitigated. We will continue to work with DWP to monitor the level of sanctions imposed under Universal Credit, and to identify

what more can be done to help people avoid this.

We will help fund the co-location of local services to simplify employability support for the individual.

We will establish better links between the public services that we fund and deliver. We will promote the Employment Advice Gateway to other public services, to make it easier for doctors, housing authorities, or social workers amongst others to refer people to access the employability support that is on offer.

There is evidence that co-location of services can have a positive benefit, both from an efficiency and accessibility point of view. We encourage the co-location of local services to simplify employability support for the individual. We are piloting co-location of services through the Task Force for the Valleys and will consider how this approach could be shared with other parts of Wales. Across Wales, Careers Wales, Business Wales and Job Centre Plus are working in partnership to share facilities where possible to enable

more efficient cross referral of customers.

Co-location should include a range of local health services to better promote employment as a positive clinical outcome. Whilst healthcare professionals will always prioritise clinical need, we want to make it easier for GPs and community health professionals to refer patients for employability support where they feel this would be beneficial. Co-locating community and primary care services is one way to achieve this, provided facilities are fit for purpose and appropriate to local need.

We will support people with physical or mental health issues to access employability support.

Working with the UK Government's Work and Health Unit, we will pilot an Individual Placement Support service which helps people with mild to moderate mental health issues access employability support.

We know that for many people, physical or mental ill health is a barrier to accessing or staying in work. The Out of Work Peer Mentoring Service supports people who are long-term unemployed

⁹ People defined as disabled according to the Equality Act 2010

and recovering from alcohol abuse or mental illness. The In Work Support Project aims to prevent job losses due to ill health. Business Wales also promotes responsible employment practices and provides associated support for business to implement these.

There is emerging evidence that social prescribing models that focus either directly or indirectly on work outcomes can be effective in promoting job retention, return to work or vocational rehabilitation¹⁰.

We are contributing to a series of pilots in social prescribing initiatives to add a new dimension to existing clinical care. The Valleys Steps project¹¹ provides free stress control and mindfulness courses to boost mental health and wellbeing. Social prescribing has been included as a theme for research funding in health and social care, and for the Innovate to Save Fund. We have invited applications for grant funding from national third sector organisations in Wales to run a mental health focused social prescribing pilot scheme. We will closely monitor outcomes and evaluation of both process and impact of all of these activities. This will add to the growing evidence base on social prescribing including in sports and the arts which will inform future health service delivery.

We will use Health Service planning frameworks to further integrate health and employability policy and use the Integrated Medium Term Plan (IMTP) planning framework to encourage Health Boards to consider work as an outcome of health. Our public health outcomes framework measures the gap in employability between those with a long-term condition and those without. We have introduced specific delivery measures to support improvement in this outcome. We will consider further whether this outcome could feature in the NHS delivery framework in the future.

Our health programmes are size and time limited initiatives often delivered in distinct geographical regions. They are important vehicles for testing new ideas and piloting models of support. Evaluation of these programmes will help to inform future health service delivery to ensure that best practice is embedded across Wales.

We will build on the successful pilot activity conducted through the Taskforce for the Valleys and the Better Jobs Closer to Home programme to provide a holistic view of local and regional employability support.

This demonstrates the importance of linking training opportunities with job creation, transport availability and supply chain investment, all on a local and regional basis. This stimulates local growth and ensures the benefits of our actions are felt in communities across Wales.

We will establish a national framework for strategy and standards.

We will coordinate and monitor our actions to tackle economic inactivity and unemployment with other partners in this area to minimise duplication and to learn from best practice. We will engage with key partners in this area regularly and on a regional basis, to monitor results and ensure that we keep on target to deliver on our economic inactivity and unemployment targets.

¹⁰ PPIW, Improving Health & Employment Outcomes through Joint Working, Bevan, S, Institute for Employment Studies

¹¹ <http://www.valleysteps.org/>

Case study



Claudio Belotti **Grand Master, Hiut**

It is vital for people to have opportunities to retrain or develop their skills over the course of a career. This will be particularly important for the aging workforce, as workers and employers may need to review or revise the nature of tasks for older workers.

Hiut Denim brought jeans making back to Cardigan after the previous factory, employing 10 per cent of the local population, closed down. Claudio Belotti, a 64-year-old Grand Master at Hiut who has been making jeans for over 40 years, describes his work:

“Part of my job is to train younger people coming on board, to help create a whole new generation of jeans makers. I’m training a young guy called Robert to be

a cutter and one day he’ll take over from me. There is a lot to learn and I am still learning; about different fabrics, different cuts, and different ways of putting the garment together. But that’s part of the pleasure of this work.”

David Hieatt, Co-founder of Huit Denim, is committed to investing in an all-age workforce and explains: *“Our Grand Masters, people like Claudio, have exceptional skills and a lifetime of experience they bring to work with them every day. We’ve created a space here where they can do the best work they’ve ever done and where they can pass on those skills to apprentices who will be the lifeblood and future of the company.”*

Underlining the responsibility of employers to up-skill their workers, support their staff and provide fair work

What are we seeking to achieve?

We will work in partnership with business to consider the role and responsibility of employers in supporting workers to contribute to a high skilled nation. This means creating fair work, jobs which adequately reward work done, and offer real and meaningful opportunities for progression. We believe that up-skilling the workforce is central to our goal of increasing productivity levels in Wales. We will work with businesses and organisations to promote positive attitudes towards disabled workers and people from different cultures and encourage the establishment of healthy workplaces which address the needs of workers; inclusive workplaces, where people can flourish, whatever their background or family circumstances. We will advise businesses on the means to provide the building blocks for further training and skills development which could lead to promotion and career progression. We don't expect business to take this on alone; we will coordinate, facilitate and signpost opportunities where possible, through Business Wales and other routes. This dynamic relationship between Government,

employers and workers reflects the partnership working at the heart of the Economic Action Plan.

Why are we doing this?

An inclusive approach to employability must not focus exclusively on getting people into work; it must also tackle in work progression and career development. We need the building blocks to ensure that life long learning and skills development over a whole career is a possibility for all. This is essential to meeting our targets to eliminate the skills gaps with the rest of the UK, and to our vision of Wales as a highly skilled nation. High level skills are an important driver of productivity and access to these qualifications must be available to all.

Government can and will play a role in driving up skills levels through schools, colleges and universities, to ensure that the Welsh workforce is as qualified as that of the UK. Employers must also recognise their responsibility to up-skill their workforce to maximise potential and encourage growth. We will develop and test interventions relating to job progression in foundation and key sectors in line with our Economic Action Plan. This will support us in understanding the scale and

nature of the challenge and identify and develop evidence-based models for job progression in key foundational sectors (e.g., care); to share the models with key employers and disseminate evidence and lessons learnt.

Employers need to recognise that it is in their interests to ensure that they provide a happy and healthy workplace and there are demonstrable links between the health and wellbeing of a workforce and the productivity of a business.

The Health and Safety Executive has published figures showing that 31.2 million working days were lost in the UK in 2016-17 due to work-related ill health and non-fatal workplace injuries. Musculoskeletal disorders, and stress, depression or anxiety accounted for the majority of days lost due to work-related ill health¹². Many of these conditions don't preclude work; with early intervention or adjustments after diagnosis, continuing to work is achievable. 33.4% of economically inactive people who would like to work are out of work due to temporary or long-term ill health¹³.

Inclusive workplaces are vital; employers who are inadvertently excluding people because of their background, identity or family

¹² 8.9 million and 12.5 million respectively

¹³ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/economicinactivity/datasets/economicinactivitybyreasonseasonallyadjustedinac01sa>

circumstances, or because they are disabled, are missing out on an important talent pool. Wales is missing out on the economic contribution that these groups can bring.

How will this work?

The Economic Contract outlined in our Economic Action Plan will encourage businesses to support the health, wellbeing and progression of their staff.

Ongoing skills development and lifelong learning is fundamental. The Calls to Action set out in the Economic Action Plan are designed to help businesses meet the key challenges of the future, including the effective matching of skills need with availability. Any business seeking direct financial support will be required to develop proposals that respond and align to at least one of five calls to action, including high quality employment, skills development and fair work. Our Economic Contract will also encourage businesses to do more to foster life long learning and skills development for their workforce.

Our businesses, sectors and economy will be stronger for having a more highly skilled workforce.

To build our highly skilled nation, workers must be able to access opportunities for skills development and learning throughout their life, with the flexibility to do this while working. We will require businesses seeking direct financial support to demonstrate a commitment to a set of criteria that will drive fairer, more responsible business practices and inclusive growth. This includes a commitment to promoting fair work and health, including an emphasis on mental health, skills and learning in the workplace.

We recognise that a sector based approach with strong employer engagement is the most effective way to develop progression pathways for employees that ensure talent and skills aren't lost from within the sector.

We will ensure follow through of the Welsh Government code of practice on ethical employment in Government supply chains.

We will work with the CBI, FSB, IOD and Chambers of Commerce to provide opportunities for employers to share best practice to get the best out of their workforce and we will encourage businesses to recognise the positive role that Trade Union Membership can have on growth, productivity and the commitment of their workforce.

This includes appropriate HR support, business responsibility and succession planning. Poor management is a significant driver of discontentment in Wales, with 53% of employees saying this is the primary cause of disillusionment for them at work. We will support employers through the dedicated offer by Business Wales.

We will encourage businesses to recognise the positive role that Trade Union Membership can have on growth productivity and the commitment of their workforce¹⁴.

¹⁴ <http://www.123helpme.com/role-trade-union-can-play-in-productivity-preview.asp?id=266116>

Case study



Mohammad is originally from Afghanistan and was living in the UK as a refugee. He was claiming JSA whilst looking for a job in Human Resources, which he had more than 7 years of work experience in and a masters degree. However, Mohammad had no UK work experience or qualifications in this field. Due to these setbacks, Mohammad had started to look for a job in a shop or a restaurant as he was finding it difficult to provide for his family on JSA alone.

Mohammad met Natalie in Rumney Hub where she explained the benefits of the Lift programme and discussed what support he would need to find sustainable employment. With the Lift programme's support, Mohammad started a 3 month work placement at Public Health Wales as an HR Assistant.

"I learned a lot from everyone, especially my supervisor ...whom I found very supportive and she became my first professional reference."

Whilst completing the placement Mohammad

continued to apply for HR jobs and was beginning to successfully get through to the interview stage. However, Mohammad did not get offered a job as he did not have the relevant UK professional qualifications.

Natalie helped Mohammad find a CIPD level 5 HR course at Cardiff and Vale College and part fund it with the Lift barrier fund. Whilst studying and as a result of the support provided by the Lift programme Mohammad was successful in securing full time employment as a Benefit Trainee in Cardiff Council. Mohammad went on to complete his course and is now an associate CIPD member.

"I am very happy as I am an active part of the society I pay tax, my rent and Council Tax, I can afford to buy clothes and toys for my children and take them out to restaurants ... It would have not been possible without the support from the Lift programme. Thank you very much."

Evidence suggests that trade unions can have a positive effect not just on growth and productivity, but in creating safer workplaces and through initiatives like the Wales Union Learning Fund (WULF), in developing the employability and essential skills of the workforce, with the particular emphasis on removing barriers for non-traditional learners.

Whilst we commonly associate Entrepreneurship in a “narrow” definition of business start up we must also encourage a “broader” definition that considers developing and encouraging entrepreneurial mind-sets that are needed in Welsh businesses and public service to drive innovation and growth, irrespective of whether that individual is the entrepreneur. This broader definition is aligned to business need and identifies a shift in attitude, behaviours and mind-set that can be better explored across a number of areas.

We will continue to provide quality all-age apprenticeships linked to national and regional priority sectors.

We will offer an increasing number of technical and higher level skills within apprenticeships at level 3 and above (including Degree Apprenticeships) and where apprenticeship provision is available at lower levels there is an expectation that sectors will provide and promote progression opportunities to better jobs.

We will focus our initial degree apprenticeship provision on areas where we have identified skills shortages.

We will encourage Anchor Companies and Anchor Institutions in particular to lead the way on providing apprenticeships and in providing opportunities for disabled people, and we will encourage SMEs to come together to embark on shared apprenticeships as has been demonstrated successfully in engineering in Blaenau Gwent.

In the paper “Aligning the Apprenticeship model to the needs of the Welsh economy” the Welsh Government outlined how we will make the Apprenticeship system more flexible and responsive to the rapidly changing needs of industry. We have established the employer led Welsh Apprenticeship Advisory Board to support us in this. We are investing circa. £115 million per annum in creating 100,000 quality apprenticeships in this assembly term. We recognise the impact that the UK apprenticeship levy is having on large organisations

in Wales. We will respond where possible to the needs of businesses whilst keeping the broader needs of the Welsh economy in mind, but we will not compromise on quality in relation to apprenticeship provision.

We will extend our approach to procurement processes and the need to include community benefits to all significant capital investment contracts.

This will be done with appropriate oversight of the impact on the national construction sector in order to establish a partnership between Government and business that drives public investment with a social purpose

Our Homes & Places programme requires those receiving financial support to refurbish and build new social homes to maximise the delivery of community benefits – particularly jobs and training – and to use the Value Wales Community Benefits Toolkit to report performance. This has delivered significant benefits in recent years to some of our poorest communities.

We will set targets to increase the number of disabled people in work.

We will work to increase the number of employers who place emphasis on creating workplaces which are inclusive and supportive environments for physical and disabled people and those with long-term health conditions. We will challenge employers to think creatively about how they design jobs and recruit people to fill them.

We will increase the number of employers who have signed up to participate in the Healthy Working Wales programme to place even greater emphasis on creating workplaces which are supportive environments for disabled people and those with long-term health conditions.

There is compelling evidence that it is in the interest of employers to improve the well-being of staff, particularly those at risk of long-term absence due to ill-health. The Healthy Working Wales Programme delivered by Public Health Wales supports employers to help people in Wales stay fit and healthy so they can remain in employment, or return to work following a period of ill health.

Support includes face to face advice, web based information and award programmes. 36% of Welsh employers are signed up so far, and we want this to increase. We will evaluate the impact of this programme to inform future developments.

Building on learning from the Lift programme, which places people in jobs in the Health Service, we will ask public bodies to consider innovative recruitment practices which can create opportunities for people who have been long-term economically inactive.

We will encourage more employers in Wales to offer access to occupational health services. This may be particularly problematic for small and medium sized enterprises who struggle to resource such services. We will explore ways to facilitate and support them using platforms such as Business Wales. For example, small businesses combining to access services jointly, or Anchor Companies selling access to their in house provision or being incentivised to allow access to their occupational health provision by their supply chain as part of public procurement contracts.

We will encourage employers to combat the stigma of mental health through putting into practice the lessons learnt from the Time 2 Change Wales campaign.

We will expect organisations and businesses in receipt of Welsh Government funding to appoint workplace champions within organisations.

To encourage inclusive workplaces, we will monitor the impact of our policies on protected groups.

There are people in Wales who are at higher risk of poor employment, who are currently prevented from fulfilling their potential despite having the skills and knowledge required by employers. The underlying barriers include unconscious bias in employment practices, for example towards disabled people, women, or BAME communities.

We will work with businesses and organisations to encourage more flexible work practices and promote inclusive employment in particular during recruitment and promotion exercises.

The gender pay gap is 14.8% in Wales and women are more likely to live in poverty. Flexible working practices could be helpful in this regard. We will continue to encourage companies to pay the Real Living Wage.

We will work with Stonewall and other equality organisations including the Equality and Human Rights Commission to explore options for developing the Workplace Equality Index developed by Stonewall. This index encourages employers to measure their progress on lesbian, gay, bi and trans inclusion in the workplace.

We will take action to reduce the gender pay gap.

We work with Chwarae Teg and other partners and employers to ensure that part time work is equally rewarded and that women are adequately represented in relation to levels of seniority within organisations and sectors. We will also monitor differences between sectors and occupations.

We will analyse the gender pay gap information relating to Wales submitted by companies who employ over 250 people and we will work with those companies who have a poor record in this area to improve the situation.

Case study



GE Aviation

Louise Burnell, GE Aviation's Apprentice Coordinator (left) with apprentice Jade Babbington (right)

The Welsh Government is committed to closing the skills gaps with the UK at all levels and a significant driver of this change is our apprenticeship system. Louise Burnell, Apprentice Coordinator at Caerphilly-based firm, GE Aviation Wales, explains why their company recognises the business benefits of apprenticeships:

"GE Aviation Wales prides itself on providing career opportunities for talented individuals and we are extremely proud of our apprenticeship scheme. The growth that the business experiences through the apprenticeship programme is integral, ensuring that engineering skills remain sustainable across south Wales. It is through programmes like this that we can enhance employees' technical capabilities and develop a robust skill set, boosting Wales' reputation as a key place to trade."

"Our apprenticeship programme is extremely well established within the business and is held in high regard across GE and the wider community."

"The apprenticeship programme helps to build a pipeline of future talent into the business, creating a highly skilled, knowledgeable and motivated workforce. The programme helps to eliminate the threat of skills shortage and sustains skills and capabilities in Wales. The programme is a great way to harness fresh talent into the business – who are enthusiastic, challenge the status quo and improve processes and many of our apprentices' go on to have extremely long and robust careers within the aviation industry."

The Apprenticeship Programme, led by the Welsh Government, is supported by the European Social Fund.

Responding to current and projected skills gaps

What do we want to achieve?

Our national employability system must take account of the regional and local contexts. We will take an evidence based approach to labour market supply and demand. In the short to medium term, we will horizon scan to ensure there is a pipeline of appropriately skilled and qualified people across the economy as set out in the Economic Action Plan. We are also acutely aware of the impact that factors such as Brexit and the demography of our ageing population may have on staffing levels and are working to address this, particularly in the sectors likely to be disproportionately affected.

Why are we doing this?

We need to do things differently to respond to the changing needs of the market and society. Whilst it is extremely difficult to predict what the jobs of the future will be, it would be unwise to train too many people for the same jobs in a highly competitive market, whilst we struggle to find people with the skills in other areas.

Whilst there is a need for a very clear national direction on the high skills that will be necessary to drive a successful high tech economy in Wales, we will need a more tailored approach to the complexity of the labour market at a local and regional level. We also need to

make sure that we have the skills available locally to support the Foundational Economy.

How will this work?

We will eliminate the gap between Wales and the rest of the UK at all qualification levels in ten years, and ensure in future as a minimum, we maintain our performance relative to the rest of the UK.

We will keep an unrelenting focus on improving educational attainment in our schools, colleges, universities and training providers.

Skills levels, and particularly higher skills, are also important for driving productivity. Overall levels of qualifications held by working age adults in Wales have been rising, as shown in the national well-being indicators. Latest data suggest that 78 per cent of working age adults aged 18 or above have level 2 (5 GCSE A*-C or equivalent) qualifications, 58 per cent have level 3 (2 A levels or equivalent) and 37 per cent have at least higher education or equivalent qualifications. These figures are a little lower than the UK average at levels 2 and 3, but the gap grows for higher level qualifications.

The relative gap in qualification levels between Wales and the UK has been similar for the past few years, although adults in Wales are more likely than many parts of England (in the Midlands and the North) to hold good qualifications.

This will necessitate an understanding that employers take their share of responsibility for upskilling their workforce.

It is clear that participation in learning is unequal. For example, people in higher socio-economic groups are twice as likely to participate in learning than those in lower groups. Similarly, those who left full-time education at age 21 or over are significantly more likely to participate in learning compared to those who left at age 16 or less¹⁵. This creates a cap on aspiration, prevents many from fulfilling their potential and holds back our economy. Employers have a responsibility to recognise this and to act and we stand ready to provide a framework to help them.

Our curriculum reform and ambitions set out in Education – Our National Mission underlines our determination to focus on ensuring pupils leave the educational system with competence in basic skills and an ability to adapt to the changing needs of the economy and society.

¹⁵ Power to the People, The case for Personal Learning Accounts. Institute for Learning and Work July 2016

The Donaldson report set out key aims for our education system in future to deliver

- ambitious, capable learners, ready to learn throughout their lives;
- enterprising creative contributors, ready to play a full part in life and work;
- ethical informed citizens of Wales and the world; and
- healthy, confident individuals ready to live fulfilling lives as valued members of society.

We will set out a national framework to prioritise the areas where we see growth potential and skills gaps focussing in particular on those areas identified as priorities in the Economic Action plan.

These will include tradable services, high value manufacturing and enablers. In each we are investing in education and skills development so people in Wales can access, thrive and progress in good quality sustainable jobs and careers. Investment in advanced manufacturing, construction and digital: ICT training facilities and apprenticeships at all levels has complemented similar

investments in research and innovation through the Advanced Manufacturing Research Institute in Deeside, Compound Semi-Conductor Catapult in Cardiff, Construction Wales Innovation Centre in Swansea, SPECIFIC renewable energy facility in Neath, Software Academy in Newport and the Institute of Biological, Environmental and Rural Sciences (IBERS) in Aberystwyth.

Similar investments are planned to support the development of the skills needed for Wylfa Newydd and automotive technologies in the South Wales Valleys. Through this investment, education and skills development, we will improve the opportunities for current and future generations in Wales, harnessing technological developments such as artificial intelligence and automation, while tackling challenges such as Brexit, the need for decarbonisation, and an ageing population.

We are actively considering the appropriateness of developing specialist centres to focus on technician support in Construction, Engineering and Digital, Automation, Financial and Professional Services.

We are clear that there are a number of industries which may be more future proofed than others in the transition to the Fourth Industrial Revolution. We will encourage industries to work

towards Industry 4.0 and work with colleges to encourage partnerships with industry in rolling this out. We will pay particular attention to the needs of construction, hospitality, health, care, tourism, finance and engineering.

We will strengthen the governance and expertise of the Regional Skills Partnerships to ensure that they provide regional leadership and robust labour market intelligence, using funding incentives to increase their influence on skills provision in each region.

The Economic Action Plan sets out a regional approach to economic development, to help tailor our delivery to specific challenges and opportunities in different parts of Wales. We will work with partners to capitalise on local growth opportunities, tailor activities to the bespoke needs of regions and support all parts of Wales to benefit from growth. Chief Regional Officers have been appointed across three regions to work collaboratively and engage with Local Authorities, the private sector and the Regional Skills

Partnerships to develop growth opportunities and tailor activity to the unique requirements of each region. This approach will make best use of data on regional growth areas so that action is responsive to the needs of the Welsh economy.

RSPs support priorities identified by Enterprise Zones, City Deals and Growth Deals as well as cross-border collaborations. We will use their employer-led knowledge and intelligence to identify what works and what is needed to improve employability and skills services at a regional and local level through the Regional Employment and Skills Plans. Sharing intelligence in a more coordinated way between careers service and entrepreneurship and business support is a key outcome of the further alignment between Careers Wales and Business Wales.

We will influence provision within FE colleges, schools and work based learning providers.

We will alter the funding formula to respond to the requirements of the Regional Skills Partnerships which will prioritise particular sectors or qualifications.

More of the same is not an option. We need to train people for jobs which exist and provide them with the skills and adaptability to respond to future jobs markets. We need to introduce this carefully and in partnership with providers, to avoid creating additional people who are NEET.

We will monitor developments in England which may influence Welsh business needs and provision. We will listen carefully to the concerns of business regarding the introduction of the Apprenticeship Levy, but we will not compromise on quality of provision in Wales and we will ensure that the broader needs of the economy are taken into consideration. In addition we will monitor the introduction of T levels in England (the new technical qualifications proposed) and we will work to ensure that developments in Wales understand the requirement for the need for the transportability of qualifications.

We will encourage the recognition of the Welsh language as a skill amongst employers both in the public and private sectors.

We will also provide for further engagement between the FE and work based learning sectors and Coleg Cymraeg Cynedlaethol to increase the availability of Welsh language technical and vocational qualifications in order to help reach our goal of a million Welsh speakers by 2050.

We will encourage employers and employees to understand that the Welsh language is a valuable skill in the workplace, and we will encourage employers to increase the use of Welsh in the workplace through our initiatives such as Iaith Gwaith.

We will encourage those who are Welsh speakers and who are economically inactive to understand the full value of their skill. Through reforming the way that we assess Welsh language ability in schools, we will provide employers with an easier way of gauging Welsh language competence in future.

We will work with Universities, schools and Careers Wales to identify how they can better inform learners.

We will encourage learners to undertake courses which would be beneficial to the Welsh economy, with job opportunities and higher levels of income. We will explore how we can retain students who are trained in Wales to remain in Wales or encourage those who train elsewhere to return.

It is important that prior to undertaking academic or vocational courses that students are aware of the job and earning potential at the end of their course.

Against a context of transformational changes in the nature of work and our national labour market we are committed to delivering a step change in the level of engagement between businesses and schools and colleges so those in education get to hear directly from employers and employees themselves about the changing nature of work, and the skills, knowledge and aptitudes they need to develop to have success in their own careers. Work experiences, employer visits, access to sector specific webinars, careers fairs and to a suite of digital services and support all have a role to play and we will

establish national benchmarks, performance and quality measures to drive outcomes and effective collaboration between schools, colleges, Careers Wales and employers.

We are consulting on a revised funding and delivery structure for adult learning in Wales.

We will use the Welsh Baccalaureate to encourage the development of softer skills which are often noted as weaknesses in the Welsh workforce.

We will underline the importance to educational establishments of developing the skills of resilience, teamwork, problem solving, career management, independent and critical thinking and adaptability. Businesses tell us ‘We don’t want coders, we want people who can code’ – this flexibility to adapt to changing environments and commitment to life long learning will stand workers in good stead for the future.

We will ensure that digital skills are recognised as a core part of the future needs of the Welsh economy and develop these skills in schools, colleges, Universities and apprenticeships.

We recognise that there is a lack of digital skills amongst existing workforces and in addition a lack of properly trained graduates or technicians to fill digital posts in growing technological industries.

Companies that fail to meet the upskilling digital needs of their workforce are likely to be outcompeted by those who do recognise and invest in this essential area.

We are committed to scaling up the opportunities to develop coding and ICT provision in our schools and colleges.

We will ensure that women help to fill the skills gaps in the economy in particular through encouraging more women to undertake STEM courses.

Issues of equality and fairness will be at the forefront of our approach. There is gender disparity in accessing educational opportunities more aligned to the jobs of the future such as STEM courses. We are aware that this is a complex and multifaceted issue and we are determined to act. We will encourage our educational institutions to do more to get women into priority sector courses. If we do not see real and swift progress, we will consider whether introducing targets and quotas is necessary.

We will pro-actively develop the skills needed so the people of Wales can benefit from the employment opportunities in our infrastructure expenditure.

Through our procurement processes, all major Government projects across Wales will have an employability element attached to them. This will include the development of the Metro, Wylfa Newydd, 21st Century Schools Band B, hospital buildings and 20,000 new homes. This approach has been tested with Building for the Future (BFF), a regeneration programme to promote local and regional

economic growth. The capital funding allocated through BFF supports apprenticeships and traineeship opportunities in the construction phase and employment opportunities that arise within the redeveloped buildings are aligned to employability programmes.

We will work with specific sectors who are at risk from a poor Brexit deal to identify potential skills gaps and significant shifts in the economic structure.

Particular sectors are likely to be more at risk than others as a result of Brexit.

The rural economy for example, will need to diversify in the face of imminent change. There are 250,000 people in Wales working 'farm to fork', employed in the farming or food production sectors. We must act now to diversify where possible, to harness the opportunities of new technologies and to develop a resilient and adaptable workforce.

We are aware that there may be a significant impact on the number of care workers, and people involved in retail and hospitality as a result of Brexit, and we are working with

the sectors to identify how and where we need to increase the workforce.

We will capitalise on the opportunities provided by our focus on the Foundation Sectors of our economy to encourage local and regional growth and innovation in relation to skills

Our Economic Action Plan identifies a number of Foundation Sectors where working more effectively across Government will have a significant impact. These sectors are the backbone of local communities, and provide essential goods and services as well as local opportunities for employment, particularly for women. They are also particularly likely to be adversely impacted when the UK exits the EU. We will work with business and others to capitalise on opportunities for growth and innovation, address some of the challenges faced and develop the workforce. We will work with local and regional partners, RSPs, FE colleges, Universities, work based learning and training providers to help develop workplans where required in these sectors.

We will work with Social Care Wales to develop a workforce plan which will identify and seek to address future workforce demands and skill requirements within the social care sector.

We are working with partners to develop clear career pathways and a suite of new health and social care qualifications, to provide a package of continuing education and learning that supports social care workers throughout their careers. Recruiting new social care workers to the profession will become increasingly important to meet the demands of an ageing population.

So that social care is seen as a valued and positive career choice, we are seeking to professionalise the social care workforce through registration with Social Care Wales. There are qualification requirements associated with this and the workforce will need to be supported in gaining these qualifications. We are considering how best our apprenticeship system can help with this.

We have delivered a Childcare, Play and Early Years workforce plan which is a ten year ambition to professionalise the sector, employing a high quality workforce and offering career pathways and progression routes.

This plan focuses on attracting high quality new entrants, raising skills and standards, and investment in building capacity and capability across the sector for long-term sustainability and growth, and supporting full roll out of the childcare offer in 2020.

We are working with Social Care Wales and Qualifications Wales to develop a suite of new childcare and play qualifications with associated career pathways. These new qualifications will be introduced in September 2019 and will support practitioners throughout their careers, offering progression routes and clear career pathways across the early years sector. Our Apprenticeship programme will continue to support the childcare and play sector to train and up-skill from the current entry level 2 and above. This aligns and reflects our commitment to provide priority skills support for the sector under

the Economic Action Plan and the Childcare, Play and Early Years workforce plan.

So that childcare is seen as a valued and positive career choice, we will be exploring within the first three years of the Childcare, Play and Early Years workforce plan professional registration. This would bring the sector in line with current practice in other early year's professions such as teaching and health thereby supporting practitioners to gain the specialist skills and knowledge required to work in the sector and support children's learning and development in their early years.

Preparing for a radical shift in the world of work

Given the scale and pace of change, it is likely that many children in primary school today will work in jobs that either do not exist today, or at least have constituent tasks that are very different from those of today. At the same time, the workforce of 2030 will largely be made up of the same people who are in the workforce today¹⁶

What do we want to achieve?

Wales must be ready for the future. As a nation we will prepare today to meet the skills requirements of the future so we can harness the full potential of emerging technological developments. Wales is a dynamic and innovative nation, already at the forefront of new technologies and committed to staying there. To meet our need for highly skilled workers, we are preparing our young people for the world of work, but we must also upskill the existing workforce who will be working for longer. Equipping people with the right skills for a changing world is an essential element of the future proofing set out in the Economic Action Plan.

Why are we doing this?

We know that the pace and nature of technological change is increasing dramatically. Our world is already being significantly disrupted by the advent of automation, artificial intelligence and robotics, the need to increase cyber security, engage with big data and understand crypto currencies and genomics.

Wales must prepare for the fourth industrial revolution. The sectors which have traditionally driven our economy may decline and new and emerging sectors will take their place. People are likely to work longer throughout their lifetime, and to change jobs and industries multiple times. This aging workforce must be able to up-skill and learn throughout their lives to thrive in employment. These challenges are clearly set out in our Economic Action Plan.

How will this work?

We are reforming our Education system to encourage ambitious, capable learners who can contribute creatively and enterprisingly to the world of work, as informed and confident citizens.

We are prioritising relevant high level digital, literacy and numeracy skills including Welsh language skills. We have committed to reaching one million Welsh speakers by 2050. Within our new curriculum we will be providing young people with high-quality, independent careers advice and guidance to help them make sound learning choices, develop their career management competencies and succeed in the world of work.

We are committed to providing financial support for all prospective higher education students, regardless of age or method of study.

We know that a degree is a substantial personal investment of time and money and we are promoting other routes to level six qualifications. We are extending our support for degree apprenticeships, which are an alternative work-based route to higher education.

¹⁶ "The Future of Work in Wales" Wales Centre for Public Policy, November 2017

We will encourage lifelong learning in particular amongst older workers. We will pilot an individual learning account for workers to fund personal vocational retraining in sectors where there is a skills shortage.

By 2050 45% of the Welsh population will be over 50. The current retirement age is 65, but this will raise to 68 by 2039. There will be an expectation that people should continue to work in some capacity or another until that age, in particular those who have not saved for retirement. As new jobs replace old jobs it is essential that the older generation in particular understand the need to adapt and learn new skills in order to maximise their opportunities to secure employment if their jobs are displaced. Employers will also need to be more flexible to access the skills and abilities of this ageing workforce.

We will work with Careers Wales and other partners to ensure that older workers are encouraged to think proactively about their career opportunities and skills needs throughout their lifetime.

We will help industry to plan to replace the retiring workforce, in particular in areas where there is a skills gap and to prepare for an increasingly aging workforce in the future.

We are particularly anxious to meet the needs of replacing highly experienced engineers and will work with companies to set in place higher level apprenticeship opportunities to fill these gaps.

We will convene an Expert Panel on Automation to review evidence and make recommendations within nine months on steps we should take to mitigate the employment impact of automation and take advantage of opportunities which the new technologies will provide.

The Governor of the Bank of England has calculated that more than 15 million jobs in the UK are at risk as a result of automation, this translates to around 700,000 jobs in Wales over the next two decades. The Centre of Cities think tank suggests that we will need to replace 110,000 jobs in Wales by 2030 as a result of automation.

It is vital that we start preparing now and map out the skills and progression pathways needed to train new and existing workers to be ready for the jobs of the future.

Many of these job losses will be in areas of low skills, but professional jobs will also be affected including accountants and lawyers. Female dominated employment sectors are more likely to be under threat. We will pay particular attention to the impact on the wholesale and retail sectors.

Overall, robots can be a boom, freeing up humans to do more productive things – but only so long as humans create the systems to adapt their workforces, economies and societies to the inevitable disruption. The dangers to societies that don't handle these transitions right are clear."

Alec Ross - The Industries of the Future

We are undertaking studies with partners to understand how we can use Artificial Intelligence and big data to improve our society through reasoning, knowledge, planning, language, and perception and to deliver better public services.

The use and impact of large scale data could be very beneficial to our healthcare system, the automotive industry, transportation and on finance and economics. We will encourage public services to develop expertise in this area to exploit these opportunities.

We will undertake work with the Federation of Small Businesses and trade unions to identify where we can provide support for those self employed and micro-businesses.

We will encourage networks for people developing business ideas, for example knowledge exchange partnerships, 5-9 clubs, and innovation hubs. The rate of self employment is growing rapidly and we welcome the growth in entrepreneurship. Across the UK over 40% of jobs growth since 2008 has been via self-employment.

We are intensely aware however that there is a difference between genuine and bogus self employment. We will work with Trade Unions to address the exploitation behind bogus self-employment practices.

We encourage HE and FE establishments to provide short day courses to equip people with the information necessary to set up in business. We will consider the opportunities for digital delivery of modular business training, and inclusion of entrepreneurial content in core subjects.

As part of the Business Wales service, we will build on our work to encourage youth entrepreneurship through Big Ideas Wales, ensuring that the strong network of entrepreneur role models in Wales work across boundaries of school, college, university and community settings to inspire young people to develop ideas for business and their understanding of what it takes to start their own business. Aspiration to start a business is particularly high amongst young people and to support those that do wish to start a business Big Ideas Wales will offer bespoke support through workshops, one-2-one advice and more intensive boot camps to develop their plans and skills to make informed decisions.

Using the Well-being of Future Generations Act as a guide, we will ensure that we are taking advantages of the employment opportunities arising as a result of climate change prevention and mitigation.

We will plan carefully to maximise the employment opportunities in moving towards a low carbon economy, both in terms of high skills and as an entry point into the jobs market. We will work with housing insulation programmes to encourage local employment and we will initiate an employment programme to plant trees encouraging those in particular who have mental health issues to take up the opportunity to start on their employment journey via this route.

Next steps for delivery

Achieving the objectives within this Plan will require a co-ordinated and focused effort across the employability network. This requires partnership between Welsh Government, UK Government, (particularly the Department for Work and Pensions), Local Authorities, Universities, Further Education colleges, work based learning providers, the third sector, private sector, stakeholder groups and delivery partners. This effort will need to embrace flexibility and innovation whilst retaining a relentless focus on improvement and results.

We will provide a national framework for employability, setting a direction and standards under which regional and local activity can take place in a coordinated yet flexible manner.

We particularly welcome the opportunity to work with the DWP to influence the current Work and Health programme and to work together to shape how DWP works in Wales. Where possible, we work collaboratively through joint planning and integration of employment services and training provision.

Robust evaluation frameworks are in place for all of our core activities, helping us understand what works and how to avoid unintended consequences. We will measure the longer term impact of all the actions in this Plan. We will seek consistent key data requirements for national reporting, including for those with protected characteristics, allowing us to compare and contrast the effectiveness of approaches.

We are committed to closing the gap in unemployment and economic inactivity between Wales and the UK, along with the gap in qualifications levels, particularly at higher levels. Following publication of this Plan, we will undertake widespread engagement with stakeholders and partners to inform the implementation and delivery of these commitments.