

Council for Economic Development

Summary

To provide an Employment and Skills Update from the refreshed Wales Employment and Skills Board (WESB).

Background

1. The first meeting of the newly constituted Wales Employment and Skills Board (WESB) was held on Thursday 25th May 2017. Led by employers and with strong employer representation from Regional Skills Partnerships (RSPs) and employer representative bodies (CBI and FSB), the new board also brings together key stakeholders from across the provider network, including representatives from Higher Education, Further Education, Work-Based Learning, Careers Wales and Qualifications Wales to provide the strategic input and robust challenge to shape future skills, apprenticeships, further education, higher education and lifelong learning policy.
2. The Welsh Government is committed to a close and constructive dialogue with employers and a genuine partnership between Government, employers and education providers to ensure a shared commitment to investing in skills - this is the key goal of WESB. A new governance structure has been introduced which enables WESB to report directly to the Council for Economic Development (CED) on employment and skills issues, with the Chair of WESB being a formal member of the CED. This new working arrangement will provide the Welsh Government with an enhanced strategic perspective on skills and will strengthen links with business, social enterprise and trade unions to influence policy across a number of areas relevant to skills and the wider economy.
3. The first meeting of WESB focused on three key policy areas - a Skills Policy update (with a focus on regional skills delivery), Employability (including how to engage employers in shaping the programme of work) and Apprenticeships (the role of WESB in informing Apprenticeship policy from an employer perspective).

Skills Policy

4. The direction set by the Policy Statement on Skills (published January 2014) remains valid given the long-term challenges for Wales in raising overall skills levels, engaging more employers to invest in training, improving routes into higher learning and supporting people into better paid employment. There is no immediate intention to publish an updated skills strategy given the forthcoming cross-cutting strategies and the detail announced through the Programme for Government.

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5. The priorities for the skills portfolio focus on three areas:
 - To create a minimum of 100,000 apprenticeship opportunities to support individuals and to help employers in growing their businesses
 - To support people seeking the employability skills needed to get quality jobs
 - To promote, encourage and enable innovation and connectivity, our key drivers for economic growth and job creation, across the whole economy.
6. At its first meeting, WESB agreed that the need for employer challenge on matters relating to skills has never been greater. Brexit negotiations will dominate the next two years and the Welsh Government has developed a response to the UK Industrial Strategy consultation, launched in January 2017, as part of a wider strategic refresh of priority sectors. Decisions on proposed transformational infrastructure projects, which are the largest seen in recent times, are also due. These include the South Wales Metro, Wylfa Newydd and the Swansea Bay Tidal Lagoon.
7. RSPs have a key role in producing regional intelligence informed by employers. As a result they have developed robust employer engagement strategies to capture the skills needs of the region and, in particular, the skills needs associated with regional infrastructure projects and priority sectors.
8. There are three RSPs:
 - North Wales Economic Ambition Board – Regional Skills Partnership North Wales (NWEAB - RSP)
 - South West and Mid Wales Regional Learning and Skills Partnership (RLSP)
 - South East Wales Learning, Skills and Innovation Partnership (LSkIP).
9. Each RSP produces an annual employment and skills plan, identifying priorities for their region based upon employer need. Regional employment and skills plans identify key economic sectors and are driving planning decisions for providers and providing a critical evidence base from which to make skills investment decisions.

Employability

10. Taking Wales Forward commits the Welsh Government to 'reshaping employability support for job ready individuals and those furthest from the labour market, to acquire the skills and experience to gain and maintain sustainable employment'. The discussion at WESB focused on the Welsh Government's plans to reconfigure current employability programmes so that our future employability offer is focused on the

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needs of the individual, responds to the changing labour market, and, very importantly, is informed by active employer engagement and participation on the ground.

11. WESB discussed ways to target individuals with a history of insecure employment to support more sustainable employment outcomes, and also had a constructive dialogue on how to engage employers to raise skills levels and employability prospects of their staff.
12. Members welcomed the Welsh Government's intention to use the Valleys area as a test bed for trialling reconfiguring programmes in order to increase their impact on the ground, for example extending the scope of current programmes to target the short-term unemployed in order to explore whether this has an impact, particularly in key deprived communities. The key goal of working more effectively across Welsh Government and with those delivering on the ground to widen employment opportunities and drive better outcomes was welcomed by the Board and, in future, WESB will have the opportunity to challenge and scrutinise any early findings from this work, including the Better Jobs Closer to Home pilots.
13. It was highlighted that the Minister for Skills and Science planned to make a Statement on Employability on 11th July which would set out the cross-Welsh Government governance required to deliver a strong Employability agenda, immediate plans to reconfigure the employability offer, and how we would specifically test this approach within the Valleys area.

Apprenticeships

14. Our Apprenticeship Skills Policy, and its five-year Action Plan published in February 2017, sets out the Welsh Government's approach to Apprenticeships in Wales. The commitment to delivering 100,000 quality apprenticeship places over the next five years underpins an ambition to build a more prosperous, ambitious, fairer and resilient country. Skills are a key driver of productivity, and apprenticeships play an important role in unlocking our Gross Value Added growth potential. Our approach is to expand and strengthen apprenticeship routes in STEM, and to address skills shortages by developing apprenticeships in growth and emerging sectors.
15. WESB noted the fact that Welsh Government had strengthened its employer engagement, with the approved apprenticeship provider network developing links with over 35,000 employers, recognising the diverse nature of employers operating in Wales. At the same time, Regional Skills Partnerships are providing a clear indication of demand,

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supply and utilisation of sector skills within their respective regions, backed by employers in each of the regions.

16. This engagement from employers in Apprenticeships in Wales has intensified following the UK Government's introduction of the Apprenticeship Levy, an employment tax for employers across the UK. Employers who have not been engaged in apprenticeships previously are now seeking ways to recuperate their Levy contributions. WESB members were keen to ensure that the system is not being solely driven by those larger, levy-paying employers, and there was discussion regarding how we connect smaller employers with larger ones through supply chains to drive better outcomes.
17. Members agreed that WESB has a key role to play in monitoring progress against the Apprenticeship Action Plan, which outlines our delivery priorities for 2016 to 2022. Actions can be summarised as:
 - Addressing acute skill shortages
 - Maintaining an effective all-age approach
 - Focusing on jobs and growth
 - Improving quality and benchmarking
 - Improving access, equality and equity of opportunity
 - Delivering apprenticeships in Welsh
 - Developing skill pathways
 - Establishing a new system for framework review and development – to ensure that apprenticeships are designed to meet employer needs and are responsive to industry changes.
18. WESB was keen for employers to be placed at the heart of developing the curriculum offer in Wales to ensure that Apprenticeships are designed to meet employer needs and are responsive to industry changes. Members were also keen to consider the approach being taken in England and its applicability in Wales.
19. WESB agreed to establish and oversee an Apprenticeship Advisory Board of employers to ensure that the development of Apprenticeship Frameworks meets the needs of Welsh employers and the Welsh economy. This Advisory Board will report directly to WESB and will consider the architecture of Apprenticeship Frameworks as well as agree what frameworks should be developed next year for Wales.
20. The next meeting of WESB will be held on Thursday 28th September 2017.

Recommendation

That Council members note and provide any comment on the Employment and Skills Update from the refreshed Wales Employment and Skills Board.