

PAPER TO:	Council for Economic Renewal
DATE OF MEETING:	5 October 2015
TITLE OF PAPER:	Employability and the Provision of Level Two Skills

PURPOSE

1. To provide the Council for Economic Renewal with an update/ summary of employability policy and the provision of level two skills.

RECOMMENDATIONS

2. The Council is asked to note the paper and to comment on the proposed direction of travel for Employability policy and the provision of level 2 skills.

BACKGROUND

3. A strong economy and helping people into work are critical elements of the Welsh Government's approach to tackling poverty. The evidence is clear that well-paid work is the best route out of poverty, and the greatest protection against poverty for those at risk. If those in or at risk of poverty are to access employment opportunities, they need the skills employers require - social as well as basic literacy, ICT and numeracy skills.
4. The Policy Statement on Skills and associated Skills Implementation Plan set the strategic context for the development of appropriate skills that will enable growth and create sustainable employment opportunities. In taking this forward the Welsh Government aims to:
 - establish Level 2 essential skills as the aspiration for the majority of adults without an appropriate level of qualification, and refocus the Employer Pledge to ensure employers recognise essential skills as a critical element of their workforce; and
 - underpin our focus on essential skills at Level 2 with innovative and cost effective delivery models that build upon the non-formal learning of the Wales Union Learning Fund, and use ICT and other methods to embed essential skills as part of mainstream vocational training programmes.
5. The Policy Statement reinforces our aim to support individuals to improve their essential skills so that they are best placed to access work opportunities or progress while in employment.
6. In order to deliver this aim the Welsh Government is developing a more detailed employability policy which will bring together actions relating to Essential Skills, Employment Support and Adult Learning, with a clear

focus on improving the employability of adults in Wales and driving a greater focus on essential skills up to and including level 2 for those in and out of employment. This policy will be published by the end of the year and will take account of current discussions with the Department for Work and Pensions on development of a joint approach to adult employment support for implementation following the end of the current Work Programme and Work Choice contracts in 2017.

7. Our ambition is to move towards a more integrated system of support that brings together Welsh Government and ESF funded support alongside that which is currently funded by DWP. We aim to introduce the new system through a two phased approach. The first phase will be based on a joint-commissioned Work Programme replacement contract that will run from 2017 to 2019. The second phase will be a transfer of responsibility to Welsh Government for the contract from 2019 onwards.
8. Two key themes have emerged strongly throughout the early development of this policy as essential components of effective employment support. Firstly, a standardised and early categorisation and assessment of jobseeker need and secondly, a simplified provision routemap. These areas are described in more detail below.

KEY ISSUES

Assessment of need and jobseeker categorisation

9. Our review of employment support systems in other countries, and current thinking across the UK has identified *standardised categorisation and assessment* as a critical element in progressing individuals into employment. Where most successful, this categorisation and assessment is undertaken at the earliest opportunity and is used to: classify an individual's position within the labour market; identify barriers to progression into employment; and refer individuals to the most appropriate support to overcome these barriers. Within Wales and across the UK more generally, assessment has often been fragmentary and stand-alone, taking different forms dependent upon which organisation an individual is interacting with. In many instances it may only provide a 'light touch' approach to assessing the current skills gaps and needs of an individual.
10. The Welsh Government has already made progress in this area through the development of a standardised tool for assessing **Essential Skills needs**. The Wales Essential Skills Toolkit (WEST) was launched on 1st October 2015 and is currently being rolled out across Further Education Institutions (FEIs), Work Based Learning (WBL) providers and Adult Community Learning providers to assess the essential skills of all post 16 learners undertaking Welsh Government funded provision of more than 5 hours per week. A planned programme of updates to the Toolkit commenced in November 2014 and will continue until the Toolkit is completed in January 2016.

11. However, there is currently no consistent tool that can provide a more general assessment of a person's current position within the labour market and which identifies barriers that prevent that person from engaging in the employment journey; barriers such as housing issues, drug and alcohol misuse, transport and childcare.
12. In order to respond to these challenges the Department for Education and Skills is developing a Categorisation and Assessment Tool (CAT) which will deliver a consistent, up-front, holistic assessment that will categorise where a person is in relation to their labour market journey according to a common classification system, as well as identifying any barriers to employment. An illustration of how such a common classification system might look is attached at Annex 1.
13. The CAT will allow agencies to provide a quicker and targeted response to individuals' identified needs and allow referral to the most appropriate support at an earlier stage. This approach will simplify the system and incentivise providers to work closely with individuals to develop and implement a tailored approach to support based on identified requirements.
14. The CAT will act as the entry point into the employability support on offer through the system. The models will be accessible to employment advisers across a range of agencies and by individuals who are interested in assessing their place in the labour market.

Employment routes

15. Whilst progress has been made in recent years in simplifying the employment and skills offer, the provision landscape remains complex. Given the multiplicity of barriers experienced in accessing employment, particularly by those furthest away from the labour market, there will continue to be a need for a broad range of both generic and specialist support. In recognition of this, and in order to assist the process of referring individuals quickly to the most appropriate source of provision linked to the Categorisation and Assessment Tool mentioned above, the Welsh Government is developing a new approach to the mapping and organisation of provision. *Employment Routes* will set out the employment and skills support available to individuals according to clearly defined pathways into and within employment.
16. At a strategic level, this approach will enable Welsh Government to identify areas of over and under-provision in line with identified need and to drive greater synergy and cross-referral across programmes. Where there are areas of over-provision identified, or where proposed activity does not fit within the model, it will highlight the need to query whether that proposal is appropriate to achieve the skills and employability goals Welsh Government has for Wales.
17. At an operational level, the Employment Routes will enable an individual, employer or referral agent to see the full range of support on offer and to

more easily navigate through the range of provision according to clearly identified routes. A fully interactive model will be available which will provide individuals with a personalised employment route, mapping the individual's journey into and within employment via access to the relevant support programmes. The model is still under development and will evolve as programmes are developed and approved. However, an illustration of how the model might look is attached at Annex 2. Employment Routes and the Categorisation and Assessment Tool will be fully integrated elements of the Skills Gateway established in early 2015 to provide a single engagement, access and referral service for individuals and employers.

18. Further development work is planned on the CAT and Employment Routes over the coming months, in parallel with finalisation of the employability policy for publication by the end of 2015.

CATEGORISATION

In Work	Employed Status	Tier 5 Seeking Progression	Progression-focused Employees highly motivated and ambitious individuals. Looking to gain higher skills / CPD.
			Progression-aspiring Employees motivated to progress. Possibly lacking confidence and/or right level or type of skills. May require occupational re-focus, up-skilling or reskilling.
		Tier 4 Under-skilled	Under-skilled Employees not motivated/able to progress. Require essential up-skilling to be more productive in current role and/or as a step to vocational up-skilling or reskilling.
Seeking Work	Low Risk of Long Term Unemployment	Tier 3 Work Ready	Work-focused Job seekers skilled, vocationally focused and ready for work now. They are confident and motivated and are open to all job opportunities and job search activities.
			Work-aspiring Job Seekers who want to work have at least essential skills but may require vocational re-focus and/or reskilling in order to secure employment. Motivated and confident but may have unrealistic perceptions/expectations of the labour market.
	Medium Risk of Long Term Unemployment	Tier 2 Not work-Ready	Work-skilling Job seekers who want to work but lack confidence, vocational focus and/or skills. Require essential upskilling, confidence building and/or vocational focus.
			Work-motivating Job seekers who have lost their motivation to look for work and lack the confidence in themselves and their skills to job search but still want to work. May feel disempowered because they believe they have been overlooked by society and employers. Require intensive support to build confidence and motivation in order to re-engage.
Not Seeking Work	High Risk of Long Term Unemployment	Tier 1 Not engaged	Not engaged Individuals not motivated to look for work and believe that they are unable to work. Withdrawn, with severe barriers that make accessing skills or employability support difficult. Require intensive support to address non-skills related barriers such as health, housing, crime, substance misuse, before engagement in job-seeking can be achieved.

Employment Routes

Where you are now

Where you want to be

DOING WELL.
WANT TO DO BETTER.

PROMOTION. MANAGEMENT.
SUCCESS.

WANT A BETTER JOB/
JUST LOST MY JOB.

CAREER CHANGE.
NEW START.

GOT THE SKILLS.
NEED EXPERIENCE.

YOUR BIG BREAK.
YOUR CHANCE TO SHINE.

NO JOB. NEED TO
SHARPEN MY SKILLS.

BETTER SKILLS.
BETTER OPPORTUNITIES.

NO JOB. NO SKILLS.
NO IDEA WHAT TO DO.

