

Written Response by the Welsh Government to the Economy, Infrastructure and Skills Committee's report on The Impact of COVID-19: Skills – Early Findings

Recommendation 1: The Welsh Government should inform the Committee as to whether it is collecting data on mental health and wellbeing of apprentices centrally? If this is not happening how is the Welsh Government monitoring the mental health and wellbeing of apprentices?

Response: Accept

Currently, the Welsh Government does not collect this data. The health and well-being of apprentices is a key part of the contractual commitments with providers. Providers have been keeping in touch with learners and offering support where needed, including support for mental health and well-being, and further guidance on support for learners is available on the Welsh Government website, and Hwb.

Recommendation 2. The Welsh Government should lay out to the Committee of its actions to support the health and wellbeing of apprentices working in health and social care as well as apprentices who have been furloughed though the different challenges they are facing.

Response: Accept

As employees, the prime responsibility for the health and well-being of apprentices rests with their employer. Nevertheless health and well-being of apprentices is a key part of the contractual obligation Welsh Government places upon providers. In Health and Social Care settings providers have recognised that apprentices are under enormous stress in the workplace during the pandemic; they have recognised that pressurising apprentices to complete apprenticeship framework assignments would be inappropriate. We would expect providers to honour its obligations and monitor the well-being of Health and Social Care apprentices (and other apprentices) throughout this time.

Welsh Government guidance directs any apprentice who is furloughed to get in touch with their provider for support. The Working Wales website contains links to free on-line learning and training resources for furloughed workers. This was supported by a wider media campaign to promote on-line training for furloughed workers. The website includes a link to OpenLearn, which provides a wide range of over 1,000 short courses including sections on managing mental health and wellbeing, information on COVID-19 for nursing and healthcare staff, and resources designed to help businesses during this challenging time.

Recommendation 3. The Welsh Government must take action to ensure high quality structured work experience opportunities, especially for people from deprived backgrounds, are part of Wales' recovery plan.

Response: Accept

Private sector, social partners, the Department for Work and Pensions (DWP) and Government working hand-in-hand to sustain Wales' economic growth and respond to the challenges resulting from the impact of the Covid-19 via our Employment Response Groups across the regions of Wales. We will seek to maximise this avenue of funding and focus our support for young people and vulnerable groups across Wales.

Work placements form an important part of many Welsh Government employability support programmes. In particular, for more vulnerable groups that are disadvantaged in a competitive labour market, such as young people, a quality relevant work placement gives an important addition to a CV that will increase that person's employability.

Our flagship Traineeship programme will increase employability skills, and offer work placements to young people. For health and safety reasons we prevented learners from returning to placements that were halted as a result of Covid-19. However, we are currently reviewing our guidance in relation to the safe return of placements and hope to be in a position to allow this to occur from August.

Professional guidance, advice and mentoring support form part of our approach to employability support, to ensure individuals get the right work opportunities and the appropriate learning, training and skills support they may need. The Working Wales service is providing this advice and guidance, and has adapted its delivery to be able to continue provision during lock-down and social distancing measures. People living in disadvantaged areas, who are long-term unemployed, will be able to access intensive mentoring and support through the Community Employability Programmes.

Recommendation 4. The Welsh Government should set out to the Committee how it intends to approach the very serious challenge of youth unemployment, and its assessment of the resourcing that would be required.

Response: Accept

The Welsh Government recognises the enormous challenges faced by young people seeking employment in a labour market that has changed rapidly as a result of the COVID pandemic. We know that young people have been disproportionately impacted in Wales and previous recessions have shown the significant long term scarring effect a period of unemployment has on a young person's future employability prospects.

Last month, the Minister for the Economy, Transport and North Wales announced the Skills and Employability COVID Commitment:

To offer advice and support to people aged 16+ to find work, pursue self-employment or find a place in education or training, with hiring incentives for employers to recruit individuals most affected by Covid-19.

As part of its commitment to build back better, the Welsh Government is developing a comprehensive employability and skills support package to mitigate the impacts of the crisis to allow young people to stay in education, upskill and find new employment or consider new business start-up.

If necessary, we will use up to £40m from our Economic Resilience Fund to deliver this commitment.

We will provide support for young people to progress into further learning or to find employment for the first time. We will also support young people who find themselves unemployed, or at risk of redundancy to develop new skills and find new employment or consider new business start-up.

We will also utilise programmes such as Go Wales and ReAct to incentivise employers to recruit young people, and those most likely to be negatively impacted economically by Covid-19 including women, disabled people, BAME, those in lower paid occupations and those already disadvantaged in the labour market.

New targeted recruitment incentives will stimulate the hiring of new apprentices aged 16-24 and apprentices seeking re-employment following redundancy.

The full package of support will include, but not be limited to:

- Careers and employment advice and guidance, job facilitation, cv writing and interview techniques (Working Wales and Further Education);
- Intensive mentoring and support to progress into education, volunteering, training or employment (Community Employability Programmes);
- Training and support to increase employability skills, and progression including an allowance when on training (Traineeships);
- Further education provision for full time and part time training to support young people to stay in education and better prepare for an upturn in the employment market.
- Incentives and support for businesses to recruit young people and receive training support for new recruits through Apprenticeships.
- Graduate support through the “Go Wales” programme, to gain work based experience for students that graduated during the Covid-19 period but are unable to find a job.
- Entrepreneurship: Workshops, boot camps and role model support to individuals aged 24 and under to consider and overcome barriers to starting a business
- A boost for transition support in Further Education for young people to move into further learning
- Expanding Personal Learning Accounts so people who are employed but particularly those at risk can access training and upskilling in growth sectors.
- Through Business Wales promote self-employment and business start-up, and utilise barrier removal funds.
- Boost sector specific interventions directly to businesses through the Flexible Skills Programme, to boost digital skills across all sectors, and recruitment.

We continue to call on the UK Government to work in partnership with us to shape a coordinated response to support youth employment in Wales, and work collaboratively to reach and support those who need it most.

Recommendation 5. The Welsh Government should formulate robust plans to support the skills sector.

Response: Accept

A skilled workforce is of fundamental importance in tackling the challenges facing businesses and individuals in the current global economic and labour market conditions caused by the COVID pandemic. Our skills offer in Wales will support longer term economic re-structuring and job creation in occupations and sectors which are growing now, or will grow in the future such as digital and green energy and construction.

As set out in our Covid 19 Resilience Plan for the post 16 sector, we will build the resilience of the sector, so that learning providers can adapt, disruption to learning can be effectively managed, and learner and staff wellbeing is supported.

Support for the skills and education sector is along three stages:

- To continue with their studies (March to December 2020);
- Review – considering changes to provision (May to September 2020);
- Renew – altering funding to move to any new arrangements (initially from September 2020 to April 2021 and indicatively through the spending review in autumn 2020 for May 2021 to April 2023);
- Rescue – making sure students and providers have security of funding.

The support will include funds for a digital advertising and marketing campaign over the summer to draw attention to the skills and education offer in Wales and support for employers and individuals wishing to get back to work.

We will also invest in online and blended learning technologies to maintain the quality of student experience in Welsh universities, colleges and work-based learning providers

The renew phase of development will also provide for the development of proposals for years beyond 2020-21 with an emphasis on the development of human capital through investment in skills, higher education, further education and initiatives to support individuals to up-skill, re-train, or enter employment for the first time.

Recommendation 6. The Welsh Government should urgently set out what funding will be given to apprenticeships over the next year including setting out the amounts planned to be drawn down from EU funding and the Covid-19 “Fighting Fund”.

Response: Accept

We have issued Apprenticeship contract values of £115m for the period from 1 August 2020 to 31 July 2021. This represents a 5% reduction on the previous year’s contract value and reflects the anticipated reduction in demand as a result of COVID-19.

In addition to this, as part of the COVID Commitment, we will use £16.4m of the £39.673m from the Economic Resilience Fund to stimulate hiring of new starts and continued employment of 5,000 Apprentices, to mitigate some of the anticipated reduction in starts and increase in redundancies during this year. We will use targeted incentives to support new Apprenticeships for young people, support new entrants and people in employment, to upskill in key areas relevant to business growth such as STEM, professional development and the foundational economy. The budget will also support sector driven shared apprenticeships as a means to continue learning of existing apprentices with shared employer responsibility, and support sector skills and talent development.

There will also be £3m to support Degree Apprenticeships in Digital ICT and Advanced Manufacture to deliver an alternative pathway for individuals to obtain higher level skills support employer needs, and support roles in Software Programming, Cyber Security and Data Analytics, amongst others.

Recommendation 7. The Welsh Government should set out its views on the warning that an increase in labour by the hour will mean a reduction in skills training.

Response: Accept

To mitigate against a possible rise in people being employed on zero-hours contracts and not having access to structured training programmes, the Welsh Government has committed to the expansion of the Personal Learning Accounts (PLAs) programme, which funds retraining for people to raise the earnings and employment security of people in different places in Wales. The pilot scheme will be extended from two colleges to 12, with possible further extension to university and work-based learning programmes. The scheme is open to employed people earning under the median income (£26,000), and we will widen the scope of eligibility for the programme, so that the scheme will be available to those on zero-hours contracts, agency staff, furloughed workers, people at risk of being made redundant, and employed individuals that have been negatively impacted by the economy, for example within the hospitality sectors or within the foundational economy.

In addition for the first year of delivery we would support employers to upskill their employees where their business delivery may have changed or have been refocused and individuals need to renew their skills set in priority areas. For example, employees

need either new or renewed skills in digital, marketing, production or management. This approach would support employers prepare for the future and provide them with the skills requirements to help develop and grow their business. Regional Skills Partnerships have also been tasked with monitoring the impact of Covid-19 on training opportunities in their priority sectors as part of their bi-monthly Covid-19 Labour Market Intelligences reports – these reports are discussed under recommendation 8 below.

Recommendation 8. The Welsh Government should set out how it will link skills to economic development, business support, business improvement and the fair work agenda.

Response: Accept

The Welsh Government agrees that to integrate future economic development, business development and skills to support and drive recovery, investment should be based around four propositions:

- 1 PLACES based approaches to reconstruction of Welsh communities and the economy.
- 2 PEOPLE focused activities which refashion apprenticeship, further education and university offerings in the face of the expected increases in unemployment, underemployment and economic inactivity.
- 3 GREEN and JUST interventions which steer us away from actions which would damage the environment and disadvantage vulnerable individuals.
- 4 DIGITAL initiatives which will establish Wales as a place of innovation releasing people from boring and repetitive jobs to perform roles only humans can do while also reducing digital inequalities.

As part of this recovery we will increase the amount of education and training for jobs in expanding occupations and sectors through upskilling and reskilling. The Economic Contract signals and secures commitment from business to move onto a low carbon future; to increase the level of skills in the economy; and to move away from the stigma of a low skill, low wage economy by increasing Fair Work. We will continue to work with our social partners to ensure that employers and unions are involved.

The Regional Skills Partnerships (RSPs) provide a strategic, regional skills view; identifying priorities based upon labour market intelligence, informed by employer need. They produce three year strategic plans which set regional priorities and work closely with City Region and Growth Deal structures to identify skills needs within specific Growth Deal or City Deal projects. In light of Covid-19, RSPs have an ever more critical role in discussing employer needs with their employer networks and business sector representative bodies.

Welsh Government has commissioned RSPs to produce bi-monthly reports to capture soft intelligence across the regions of Wales, drawing upon employer and RSP stakeholder perspectives, to provide insight into the impact of Covid-19 across sectors and industry clusters. The reports are being used to inform the development of

employability programmes, the work of the Regional Employment Response Groups and activity arising from the Covid-19 Resilience Plan.

The three RSPs are also members of the Wales Employment and Skills Board (WESB), which reports directly to the Council for Economic Development (CED) on employability and skills matters. This governance structure ensures an enhanced strategic perspective on employability and skills matters and strengthens links with business, social enterprise and trade unions to influence policy across a number of areas relevant to skills and the wider economy.

The Welsh Government will continue to seek views from social partners and more widely, which will be an important element in developing our thoughts on what we need to do to help accelerate the right recovery.