



Llywodraeth Cymru  
Welsh Government

MEETING

# Council for Economic Development meeting 4 June 2020: employability and skills recovery paper

Return, Restart, Re-skill: a draft proposal for mobilising employability and skills interventions to support economic recovery.

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# Summary

This paper sets out policy options to inform a cross-government employability and skills response to the impacts of COVID-19 on the Welsh economy and labour market.

Officials are working with colleagues across government to prepare detailed advice around how to manage and deliver a collective support offer.

In the meantime, Ministers are invited to note the proposed priorities and provide feedback on the proposed direction of travel.

## Introduction

The economic crisis is unfolding at an extraordinary pace, with sequencing and withdrawal of measures such as the Job Retention Scheme likely to lead to a sharp rise in redundancies, business closures and unemployment, coupled with hiring having virtually ceased for the majority of sectors and occupations.

Existing mechanisms will need to reach those people and communities that are most vulnerable to the impact of the current crisis, at a scale we have not seen since the last recession. In parallel, we also need to consider new and innovative ways to stimulate demand for new jobs to mitigate the impacts on longer term societal scarring.

Welsh Government's offer on skills and employability, coupled with our economic development model will be crucial in supporting those most likely to be negatively impacted in the future Welsh labour market. Intervening quickly will be critical, to support those coming out of education, the existing workforce, those seeking work and those whom we need to reactivate into the labour

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market.

Officials are considering the scope, capacity and reach of existing programmes and services, and options to expand to deliver a short to medium term workforce development plan.

The aim is to support the Return of the current workforce, Restart an individual's employment journey following a period of unemployment, and Reskill individuals to prepare for the future world of work.

## Context

As nations attempt to mitigate the impacts of COVID-19 whilst safeguarding the economy, our approach requires a planned approach to stimulating growth when it's safe to do so. Preventing destruction of individual's incomes, of people's jobs, and organisational links to the labour market are key to the structural strength of the economy.

A number of critical state interventions have been made available to protect employment and incomes for businesses and individuals including the Job Retention Scheme, Self-Employment Income Support Scheme, unemployment benefits, social assistance, extensions to paid leave for sickness absence, and deployment of a significant package of Economic Reliance Funding.

Unemployment levels have already risen significantly, claims for Universal Credit rose by c. 81,000 by the middle of April, the highest levels for 20 years. Evidence suggests that circa 1/3 of the workforce in Wales is either already unemployed or furloughed, and the UK Government's Job Retention Scheme is acting as a temporary shield for circa 380,000 individuals across Wales.

There is a consensus that current developments are accelerating actual or latent

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patterns that were visible pre-crisis, such as the decline of high streets; a major change in our industrial mix as lower-skilled migration dries up; the need to better value the work done by lower earners; and the reality that younger workers and those already disadvantaged in the labour market will bear the brunt of the crisis.

There is a high risk of driving further economic inequalities in the labour market, increased poverty and economic vulnerability.

## Proposed priorities

It's clear that we will need to make some very tough decisions on deployment of resources, and how to best maximise the DWP national offers in order to determine where we will gain the most return on investment. The following are proposed priorities:

1. Prioritising support to address potential youth unemployment - with dedicated cross government policy lead and potential targets developed to support young people to continue or progress in education, employment or training.
2. Increasing capacity and reach of re-deployment and re-employment support to swiftly support those made redundant or losing jobs, and to reach the long-term unemployed in communities that are most vulnerable to the impacts of the current crisis.
3. Stimulating demand for new jobs and new enterprises through coordinated business engagement, considering employer incentives such as wage subsidies to stimulate the hiring of young people and those further from the labour market, and start up grants to stimulate entrepreneurship.
4. Investment in upskilling and reskilling to grow and support the jobs for the future will be vital to support employers to adapt and transform their skills base to maintain and grow employment in the future.

5. Bolstering capacity, utilising our delivery networks and flexing the boundaries of existing mechanisms that we know work, recognising that the delivery network will be operating in new ways to adapt.
6. Collaborative working with UK Government, devolved Governments, and the DWP at Ministerial and policy level will be critical to understanding the emerging DWP offer, and enable us to shape our interventions accordingly in Wales to complement.

## Draft Skills and Employability Offer

We seek to support economic recovery by deploying Cross-Government levers to support the Return of the current workforce, Restart an individual's employment journey following a period of unemployment, and Reskill individuals and existing employees across Wales.

The following draft plan builds on existing interventions, and timing would need to align with the withdrawal of the Job Retention Scheme and lifting of lockdown measures. The approach would need to be underpinned by targeted business advice and guidance through business, regions and Business Wales to promote retention and support for hiring.

The plan will require investment and expansion in order to meet the increase in demand, and a proposal is currently being developed to form the basis of a bid to STAR chamber.

Return:

- Joined-up business support and workforce campaign to raise confidence in safe working, return to work and signposting to enablers to encourage working from home and digital working.
- A new employment and skills communications campaign, to help people

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back into work and direct people that have been made redundant to Working Wales.

Restart:

Adults:

- Independent employment advice, guidance and consistent barrier identification – advice on safe working, CV writing and interview support for individuals through Working Wales, complemented by Job Centre's, local authority and DWP outreach provided by community employability programmes.
- Facilitated Job matching to encourage the workforce to move to high demand roles and occupations, coordinated through the three regional employment response groups.
- Support for adults who can't find work to overcome barriers to employment through community employability programmes, the employability skills programme, the Out of Work Peer Mentoring Service and Individual Placement Support.
- Development of a new comprehensive Courses in Wales database to bring all the information together in one place on courses and provision in Wales.
- Hiring, campaigns and recruitment incentives to support labour market attachment through ReAct, Jobs Growth Wales and Apprenticeships.
- Business Start up and entrepreneurship engagement to introduce and open the door to self employment, and initiate the pathway to business start up.

Young people:

- Careers advice and guidance, job facilitation, CV writing and interview techniques (Working Wales);
- Intensive mentoring and support to progress into education, volunteering, training or employment (Communities for Work);
- Training and support to increase employability skills, and progression

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- including an allowance when on training (Traineeships);
- Further education provision for full time and part time training.
  - Recruitment support with a shared employer investment through Jobs Growth Wales (16 to 24), apprenticeships and shared apprenticeships.
  - Entrepreneurship: workshops, boot camps and role model support to individuals 25 and under to consider and overcome barriers to starting a business.

#### Reskill:

- Support people who can't find work to reskill, increase employability in areas of future demand through Communities for Work/Plus and the employability skills programme.
- Help at risk employed individuals switch sectors and occupations through retraining in areas of skills demand:
  - Personal learning accounts - support for employed people and furloughed workers to obtain skills and qualifications to progress at a higher level or in alternative sectors;
  - ReAct training grant and employer wage subsidy;
  - Further education provision for full time and part time training.
- Support employers to retain and upskill staff:
  - The apprenticeships programme is Wales' primary driver for upskilling of the workforce. The majority of people who start an apprenticeship are already in employment and require additional skills to support business development. Apprenticeship frameworks have been developed in those areas of the economy that will support growth and will in turn help employers during the recovery, investing in higher level skills particularly in STEM and technical areas. Additionally, recent changes to regulatory requirements will help ensure that we can more swiftly respond to employer needs resulting from changes to the economy.
  - Flexible Skills Programme – can support a range of employers of different sizes and sectors to upskill the existing workforce including specific partnership projects with the creative sector, advanced semi-



conductor, life sciences creative and digital industries. The programme is also central to Inward investment projects in Wales.

## Policy assumptions

There is a growing field of research and consensus around the actions that governments should take to mitigate the impacts of COVID-19 on people, places and businesses. Officials are also working closely with counterparts in Scotland and Northern Ireland to share thinking on what works, and take a harmonious approach which seeks to build on the UK Government offer. The following are recommendations we need to consider as part of our response:

1. Youth employment should have a greater policy focus and levels monitored as part of the oversight of the plan, with potential targets developed to support young people to continue in further learning, into volunteering, employment or self-employment.
2. Resources should be prioritised to focus on young people<sup>1</sup>, women, BAME, disabled people, those in lower paid and precarious employment, and those already disadvantaged in the labour market. We need to reach the most vulnerable communities to support the lower skilled, lower income families, who are more likely to work in occupations and sectors at more risk.
3. Jobs and links to employment should be protected where possible, sectors secured and supported to return, while enabling others to reshape or shrink by supporting business transformation or upskilling so that a minimum of jobs are lost.
4. Information, advice and guidance to individuals and employers will need to be clear, accessible, consistent across multiple agencies and widely promoted as a first response and include a strong position on safe return to work and promoting home working.
5. Bolstering the capacity and flexing the boundaries of existing mechanisms that we know work, will be essential to build the capacity to provide job

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market insights, employer engagement, job matching, employment advice, skills development, entrepreneurship support and job-search assistance.

6. Increased provision of education, training and volunteering may be needed at a time when many will not be able to get jobs, through short courses and qualifications, through apprenticeships and further education colleges to support the current and future workforce to upskill and reskill.
7. A strengthened collaborative relationship with DWP at Ministerial and policy level, and regions and stakeholders in Wales to design and deliver an integrated approach to maximise our collective impact and resources to underpin employment in Wales.
8. The three Regional Employment Response Groups (RERG) should be re-established as regional taskforces to coordinate regional stakeholders, drive an inclusive regional response, to gain intelligence, and work collectively to adapt and target existing support to tackle unemployment, NEETs and redundancies to create more and better employment opportunities.
9. Driving demand for jobs, through active matching of people into roles, and better integration with economic development will be essential to identify hiring employers and vacancies that can be filled by those we support; and ensure we support and grow the jobs in the occupations and businesses likely to have a sustainable future – in line with the economic recovery priorities.
10. A focussed approach will be needed to build a more joined-up business support and skills offer, working jointly with Business and Regions to increase access to well paid, high quality work based on understanding the future of the labour market. Targeted at the jobs of tomorrow concentrated among those professions that care for people, support the planet, manage new technologies and communicate products and services and drive the calls to action of the Economic Action plan.
11. Infrastructure enablers that can support people to overcome barriers to employment will underpin the employability offer, such as childcare, transport, access to home working, and usage and access to technology in order to support the existing workforce and those seeking work.

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12. The targets and monitoring of the Employability Plan are still relevant in the current context as they seek to level up employment and skills levels between Wales and the rest of the UK. However, we must recognise that external factors mean more focus on mitigation rather than improvement in the medium term, as we seek to tackle and deploy interventions to respond to record levels of unemployment and economic inactivity.
13. This plan is underpinned by preparations already undertaken to shift provision and services to digital and remote delivery. The Resilience plan for the Post-16 sector, sets out how Welsh Government will work with its stakeholders to build the resilience of the post-16 sector, so that learning providers can adapt; disruption to learning can be effectively managed; and learner and staff wellbeing is supported.

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