

Technical note on the Employability Plan Targets

The current picture

The employment rate in Wales is historically lower than the rate for the United Kingdom (UK). Whilst estimates from the Labour Force Survey are volatile, latest estimates for Wales show that employment is 2.5 percentage points lower than the UK; with rates estimated at 72.7 per cent for Wales and 75.2 per cent for the UK¹.

Those who are not employed are classed as either unemployed or economically inactive. Unemployed are typically people who are not in work but are seeking and available to work, whilst those who are economically inactive are typically not seeking or available to work.

When comparing this with other Countries and regions within the UK, the percentage of those who are economically inactive is higher in Wales (23.4 per cent compared with 21.3 per cent²). The unemployment rate has also been higher historically in Wales than the UK average; however in the previous year the unemployment rate has fluctuated around similar rates to the UK. The current unemployment rate for Wales is 5.0% compared with the UK rate of 4.4%³.

Employment rates are frequently driven by skills levels. Wales has a higher percentage of those with no qualifications than the UK average, in addition to having lower percentages of those who have qualifications at GCSE (and equivalent) or degree level (and equivalent).

Targets

Targets have been developed at a national and regional level for economic inactivity and unemployment rates. The regions are those defined in the economic action plan, and align to the Regional Skills Partnerships (RSPs).

The definition for those who are economically inactive includes students and retirees. When **developing targets for the employability plan**, students and retirees have been excluded.

These targets will be monitored using existing publications of official statistics. The table below outlines the headline measure that will be tracked and the source of the official statistics.

Target	Headline measure	Current Value(s)	Publication
1. Through this plan we will contribute to increasing productivity levels in Wales in the next decade.	GVA (balanced approach) per hour worked, relative to the UK.	83.1 per cent of the UK value. Time period: 2016.	Productivity https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/jan2017

¹ Source: October – December 2017, Labour Force Survey (Office for National Statistics)

² Source: October – December 2017, Labour Force Survey (Office for National Statistics)

³ Source: October – December 2017, Labour Force Survey (Office for National Statistics)

<p>2. We will eliminate the gap in working age unemployment and economic inactivity rates between Wales and the UK average within 10 years.</p>	<p>Gap in the UK and Wales economic inactivity rate (excluding students and retirees)</p> <p>Gap in the UK and Wales unemployment rate</p>	<p>Economic inactivity Wales: 16.0% UK: 14.5% Gap: 1.5% (24,300 people)</p> <p>Unemployment Wales: 4.9% UK: 4.7% Gap: 0.2% (2,100 people)</p> <p>Time period: year ending quarter 2, 2017.</p>	<p>Annual Population Survey (updated quarterly)</p> <p>http://gov.wales/statistics-and-research/annual-population-survey/</p>
<p>3. 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.</p>	<p>% of working-age adults at each qualification and above, for the following levels:</p> <p>Level 2 and above Level 3 and above Level 4 and above</p>	<p>Gap (Wales percentage, UK percentage)</p> <p>Level 2 and above 1.0% (77.7%, 78.7%)</p> <p>Level 3 and above 2.4% (57.9%, 60.3%)</p> <p>Level 4 and above 3.0% (37.4%, 40.4%)</p>	<p>Levels of highest qualification held by working age adults</p> <p>http://gov.wales/statistics-and-research/levels-highest-qualification-held-working-age-adults/?lang=en</p>
<p>4. We will reduce the number of people who are NEET in Wales.</p>	<p>Number of 16-18 year olds and 19-24 year olds who are not in education employment, or training (SFR estimate).</p>	<p>Statistical First Release estimate</p> <p>16-18 year olds: 10.4% (11,000).</p> <p>19-24 year olds: 18.5% (46,400).</p> <p>Time period: end of 2016 (provisional).</p>	<p>Young people not in education, employment or training (NEET)</p> <p>http://gov.wales/statistics-and-research/young-people-not-education-employment-training/?lang=en</p>

Targets for further development

Measurement of the following two targets is yet to be developed.

5. We will work with partners to identify suitable targets for increasing the number of disabled people in work.
6. We will set a target in partnership with Public Health Wales to increase the number of employers engaged in the Healthy Working Wales Programme.