

STRONGER, FAIRER, GREENER WALES

Technical Annex

A Plan for Employability and Skills

STATISTICAL REPORTING ON NATIONAL INDICATORS AND MILESTONES

The **Well-being of Future Generations (Wales) Act 2015** required Welsh Ministers to set national indicators to assess progress towards achieving the 7 Well-being goals.

The national indicators of relevance to the Plan for Employability and Skills are:

Percentage of adults with qualifications at the different levels of the National Qualifications Framework (No 8).

Percentage of people in employment, who are on permanent contracts (or on temporary contracts, and not seeking permanent employment) and who earn at least the Real Living Wage (No 16).

Pay difference for gender, disability and ethnicity (No 17).

Proportion of employees whose pay is set by collective bargaining. (No.20)

Percentage of people in employment (No 21).

Percentage of people in education, employment or training, measured for different age groups(No 22).

We will continue to report on all national indicators through:

- The annual **Wellbeing of Wales** report which provides an update on progress made in Wales towards the achievement of the 7 well-being goals, making reference to the national indicators alongside other relevant data.

- Individual national indicator **data summaries**.

Wherever possible, the national indicators will be published broken down by protected characteristics.



National Milestones for Wales

In December 2021, the first set of National Milestones were published. The national milestones are a series of measures against the national indicators that set out our expectations of what the indicators should show in the future.

They will help us understand whether the national indicators are moving in the right direction and moving us as a nation towards achieving the well-being goals.

The national labour market milestones of relevance to this plan are:

- 75% of working age adults in Wales will be qualified to Level 3 or higher by 2050
- The percentage of working age adults with no qualifications will be 5% or below in every local authority in Wales by 2050
- At least 90% of 16-24 year olds will be in education, employment, or training by 2050

- Eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on fair work and raising labour market participation of under-represented groups

- An elimination of the pay gap for gender, disability and ethnicity by 2050

From 2022 onwards, we will report progress against the first set of national milestones within the **Wellbeing of Wales annual report** and online national indicator **data summaries**.

Where appropriate, statistical publications will also reference the national indicators and associated milestones and provide analysis of the latest trends (see Tables below for further detail) including those for the 2021-26 priorities identified above. Under the requirements of the Code of Practice for Statistics, the publication date for all statistical publications will be confirmed on **our website** at least 4 weeks prior to publication.

QUALIFICATION LEVELS AND ATTAINMENT

National Indicator (No 8)

Percentage of adults with qualifications at the different levels of the National Qualifications Framework.

Milestones

1.75% of working age adults in Wales will be qualified to Level 3 or higher by 2050.

2. The percentage of working age adults with no qualifications will be 5% or below in every local authority in Wales by 2050.

Monitoring Progress

- Wellbeing of Wales **annual report** (September)
- National indicator **data summary** (April)
- Annual Statistical Release: **Levels of highest qualification held by working age adults** (April)
- StatsWales **downloadable data: Qualification Levels** (April)

Protected Characteristics

At a Wales level, data are published by protected characteristics including gender, age, disability and ethnicity. At a local authority level, protected characteristic breakdowns are dependent on sample sizes

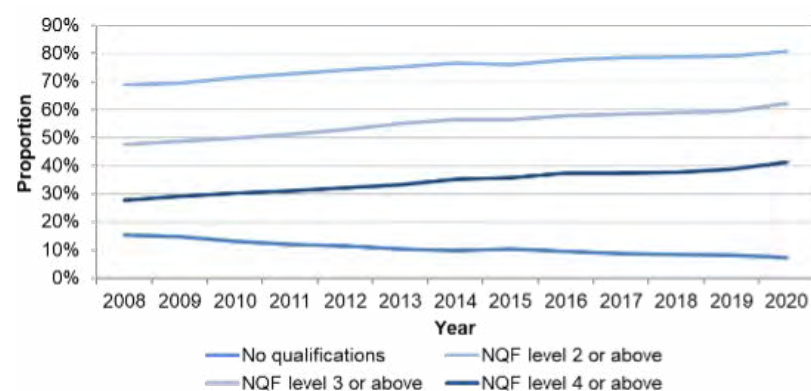
Latest Position (Summary)

Data published in April 2021 showed that, overall, qualification levels in Wales increased in 2020, continuing the general increase seen over time. An estimated 80.9% of working-age adults in Wales held at least level 2 qualifications compared with 79.1% in 2019. 62.3% of working-age adults in Wales were qualified to at least level 3 compared with 59.4% in 2019. 7.3% of working-age adults in Wales reported having no qualifications compared with 8.2% in 2019.

Highest level of qualification held by adults of working age, 2008 to 2020

The proportion holding higher education or equivalent level qualifications (NQF level 4 or above) was 41.4% compared with 38.8% in 2019. The change in the proportion of working-age adults in Wales holding qualifications at level 4 or above represented the largest year-on-year increase since statistics began being calculated under the 18 to 64 working-age population definition in 2008. This also accounted for most of the increase in the proportion holding qualifications at level 3 or above, which was also the largest year-on-year increase since 2008.

There is considerable variation at local authority level. In 2020, the highest proportions with no qualifications were in Merthyr Tydfil (13.9%) and Blaenau Gwent (11.1%) and the lowest in the Vale of Glamorgan (3.2%) and Monmouthshire (3.8%). These compare to a national average of 7.3%.



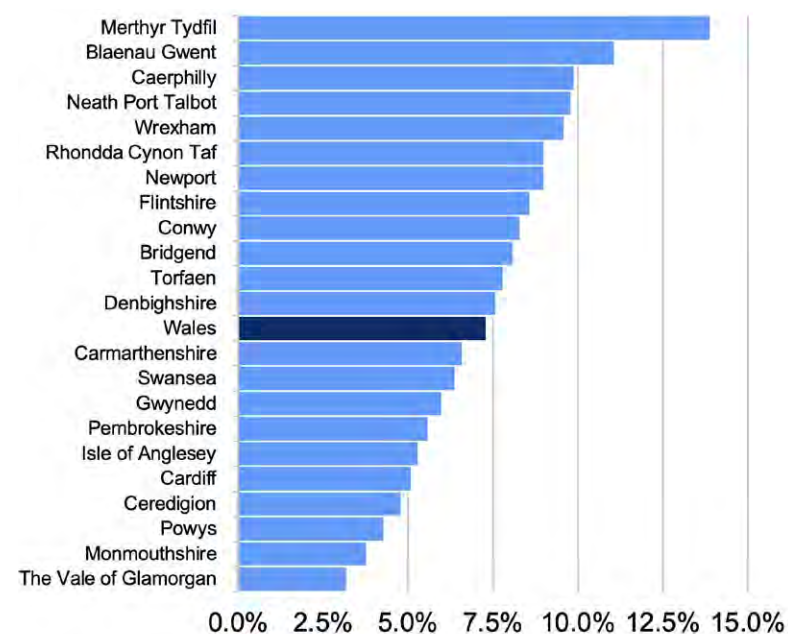
QUALIFICATION LEVELS AND ATTAINMENT

Percentage of working age adults with no qualifications by local authority, 2020

The proportion holding higher education or equivalent level qualifications (NQF level 4 or above) was 41.4% compared with 38.8% in 2019.

The change in the proportion of working-age adults in Wales holding qualifications at level 4 or above represented the largest year-on-year increase since statistics began being calculated under the 18 to 64 working-age population definition in 2008. This also accounted for most of the increase in the proportion holding qualifications at level 3 or above, which was also the largest year-on-year increase since 2008.

There is considerable variation at local authority level. In 2020, the highest proportions with no qualifications were in Merthyr Tydfil (13.9%) and Blaenau Gwent (11.1%) and the lowest in the Vale of Glamorgan (3.2%) and Monmouthshire (3.8%). These compare to a national average of 7.3%.



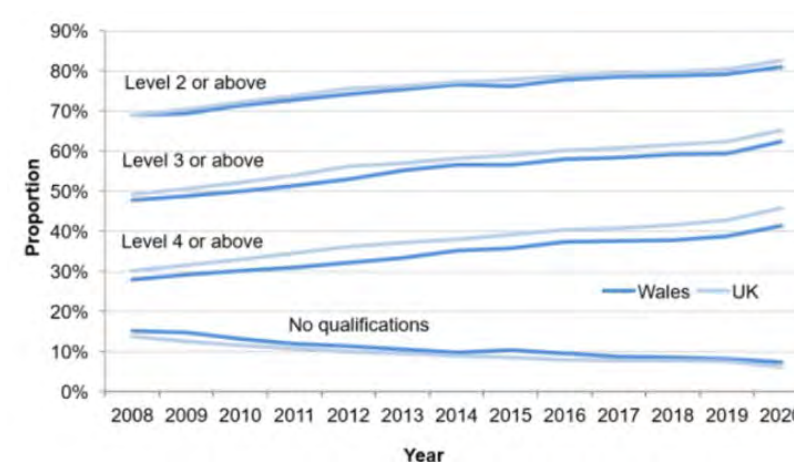
However, it should be noted that gaps in qualification levels between UK and Wales have generally widened in the period since the last plan was published in 2018.

- The gap in the proportion of working age adults with no qualifications increased from 0.7 percentage points in 2018 to 1.2 percentage points in 2020 (Wales higher than the UK). Over the longer term the size of the gap has fluctuated.
- The gap in the proportion of working age adults qualified to level 2 or above increased from 0.8 percentage points in 2018 to 1.6 percentage points in 2020 (UK higher than Wales). Whilst the size of the gap has fluctuated, the gap in 2020 was the joint highest on record (looking back to 2008).
- The gap in the proportion of working age adults qualified to level 3 or above increased from 2.4 percentage points in 2018 to 2.9 percentage points in 2020 (UK higher than Wales). Over the longer term the gap has widened slightly.
- The gap in the proportion of working age adults qualified to level 4 or above increased from 3.8 percentage points in 2018 to 4.3 percentage points in 2020 (UK higher than Wales). Over the longer term the gap has widened.

Level of highest qualification held by working age adults, Wales and UK, 2008 to 2020

The proportion holding higher education or equivalent level qualifications (NQF level 4 or above) was 41.4% compared with 38.8% in 2019. The change in the proportion of working-age adults in Wales holding qualifications at level 4 or above represented the largest year-on-year increase since statistics began being calculated under the 18 to 64 working-age population definition in 2008. This also accounted for most of the increase in the proportion holding qualifications at level 3 or above, which was also the largest year-on-year increase since 2008.

There is considerable variation at local authority level. In 2020, the highest proportions with no qualifications were in Merthyr Tydfil (13.9%) and Blaenau Gwent (11.1%) and the lowest in the Vale of Glamorgan (3.2%) and Monmouthshire (3.8%). These compare to a national average of 7.3%.



Source: Annual Population Survey (APS)

National Indicator (No 22)

Percentage of people in education, employment or training (different age groups).

Milestones

3. At least 90% of 16-24 year olds will be in education, employment, or training by 2050.

Monitoring Progress

- Wellbeing of Wales **annual report** (September)
- National indicator **data summary** (July)
- Statistical Release: **Participation of young people in education and the labour market** (July), quarterly APS estimates of **Young people not in education, employment or training** also published
- StatsWales downloadable data: **Participation of adults and young people** (July)

Protected Characteristics

Data published by gender. Data constraints mean that it's currently not possible to disaggregate the main measure of those in EET by other protected characteristics. However, our secondary measure of those not in education, employment or training (NEET) – the **Annual Population Survey series** – are published broken down by age and disability, for a three-year average period.

Latest Position (Summary)

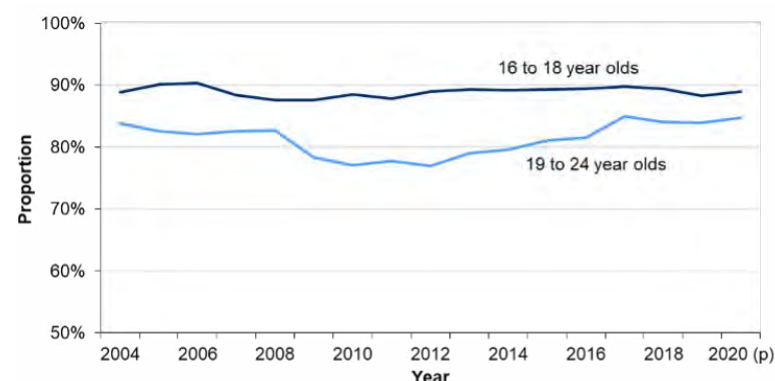
There are two data series used to estimate the number of young people in education, employment or training in Wales.

The main measure – the Statistical First Release (SFR) series – is published annually and is used to measure progress against the National Indicator and Milestone. The secondary Annual Population Series (APS) NEET estimates are published quarterly.

Final SFR series estimates for 2019 and provisional estimates for 2020 were published in September 2021. Annual estimates are ordinarily published in July but were delayed in 2021 due to a planned reweighting of the Annual Population Survey dataset by the Office for National Statistics.

The proportion of 16-18 year olds in employment, education or training decreased by 1.1 percentage points between 2018 and 2019 to stand at 88.3%. This is the lowest level since 2011. Provisional estimates suggest that this proportion then increased to 88.9% in 2020.

Provisional estimates suggest that the proportion of 19-24 year olds who were in employment, education or training in 2020 was 84.8%, up from 83.9% in 2019. This is close to the highest level on record (84.9% in 2017).



National Indicator (No 21)

Percentage of people in employment.

Milestones

4. Eradicate the gap between the employment rate in Wales and the UK by 2050, with a focus on Fair work and raising labour market participation of under-represented groups.

Additional priorities to accelerate progress 2021-26

- Support people with a long term health condition to work
- Reduce the percentage gap between the employment rate for those with long term health conditions and the overall age specific employment rate in persons aged 16-64 years.
- Reduce the percentage of the population (aged 16-64 years) who want a job that are economically inactive due to long-term sickness.

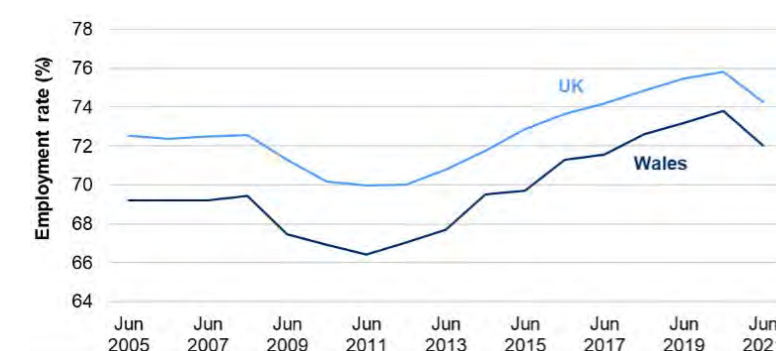
Monitoring Progress

- Wellbeing of Wales **annual report** (September)
- National indicator **data summary** (quarterly)
- Quarterly Statistical release: **Labour Market Statistics: Annual Population Survey**
- StatsWales downloadable data : **Labour Market Summary, economic activity by ethnicity, economic activity by disabled status** (quarterly)
- **NOMIS** – Reasons for Economic Inactivity
- HTML Release: **Labour market analysis by protected characteristics (Annual Population Survey): April 2004 to March 2021**

Latest Position (Summary)

The percentage of people aged 16-64 in employment in Wales has generally increased since 2011. The employment rate in Wales currently stands at approximately 72.8% (year ending September 2021). This compares to an estimated employment rate of 74.5% across the UK (Annual Population Survey).

Employment rate, year ending June 2005 to year ending June 2021



However, stark inequalities prevail for protected groups who are significantly underrepresented in the labour market. For example, further disaggregated data from the Annual Population Survey shows that:

- The employment rate for people of a Black, Asian and minority ethnic background in Wales was 68.3% compared to 73.0% for people of a White background.
- The employment rate for females in Wales in the year ending September 2021 was 69.5%, compared to 76.1% for males and 72.8% across Wales.
- The employment rate for disabled people in Wales was 47.5%, compared with 80.5% for non-disabled people. This gap has decreased since 2018. Although it has seen an increase since the start of the pandemic, the gap remains smaller than in 2018. This is using the Equality Act 2010 definition of disability - a physical or mental impairment which has a substantial and long-term impact on a person's ability to carry out normal day to day activities.
- Of those who are economically inactive and want a job in Wales, 6.5% were inactive due to long-term sickness in the year ending September 2021. This proportion has generally decreased from a peak of 9.5% in the year ending March 2016.

Protected Characteristics

Employment rate data published for protected groups including by gender, age, disability and ethnicity.

PAY EQUALITY

National Indicator (No 17)

Pay difference for gender, disability and ethnicity.

Milestones

5. An elimination of the pay gap for gender, disability and ethnicity by 2050.

Monitoring Progress

- Wellbeing of Wales **annual report** (September)
- National indicator **data summary** (quarterly)
- Annual Statistical publication: **Annual Survey of Hours and Earnings** (October/November)
- StatsWales downloadable data: **Earnings** (annual)

Protected Characteristics

Gender pay gap data is a long-established data set and sourced from the Annual Survey of Hours and Earnings. Data for the disability and ethnic minority pay gaps is in its infancy and is sourced from the Annual Population Survey. The 2018 analysis of disability pay gaps in the UK was the first produced by ONS.

Latest Position (Summary)

The gender pay gap on a median hourly full-time basis (excluding overtime) in April 2021 was 5.0% in Wales and 7.9% in the UK.

In 2018, disabled employees living in Wales were paid 9.9% less than non-disabled employees. This compares to 12.2% across the UK.

In 2019, ethnic minority employees in Wales were paid 1.4% less than White employees. This compares to 1.9% across the UK.

Data for the disability and ethnic minority pay gaps is in its infancy, for example the 2018 analysis of disability pay gaps in the UK was the first produced by ONS.



FAIR WORK

National Indicator (No 16)

Percentage of people in employment, who are on permanent contracts (or on temporary contracts, and not seeking permanent employment) and who earn at least the Real Living Wage.

National Indicator (No 20)

Proportion of employees whose pay is set by collective bargaining.

Monitoring Progress

- Wellbeing of Wales **annual report** (September)
- National indicator **data summary** (annual)

Protected Characteristics

This will dependent on sample size.

Latest Position (Summary)

These national indicators were newly added to the Wellbeing of Wales: national indicators set in December 2021. Data will be published in 2022.

