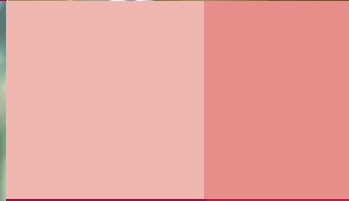
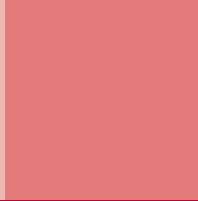
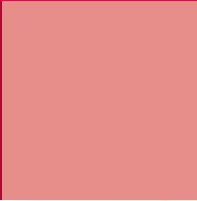
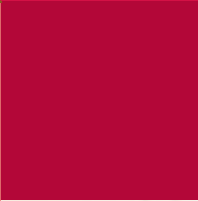


Annual Learning and Skills Assessment

2005 - 2006

June 2005



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1.0 Purpose of the Assessment for Learning and Skills Assessment

This Annual Assessment for Learning is an important part of ELWa's National Planning and Funding System (NPFS). The development of the NPFS is based on the principle that funding should follow strategy. The purpose of the planning element of the NPFS is to ensure that funding allocations help to achieve strategic objectives - in particular that learning provision should be more responsive to the needs of learners, businesses and communities. ELWa will actively manage the resources within its budget and target them effectively on strategic goals.

This Assessment has been produced from a range of published data and intelligence obtained from partners, providers and Sector Skills Councils. It provides a summary of the current evidence base from which ELWa can set out priorities and actions to be taken on board by providers and partners, and within ELWa's own internal planning. It gives clear messages to learning and skills partners and providers about activities that need to be undertaken and contains some priorities that need to be addressed as part of the planning process.

ELWa welcomes your input as to how this assessment could be enhanced and the additional information and intelligence that may be of use to you in your planning and priority setting.

2.0 Introduction and Background

The importance of education, training, skills and learning to Wales continues to grow as more individuals and businesses recognise the benefits of lifelong learning in both their personal and professional lives.

Between 2005-2008 ELWa will invest £1.75 billion in learning and skills in Wales. More than one third of Wales' adult population and thousands of businesses will benefit.

Since its creation ELWa has made considerable strides to support learners and businesses across Wales. During the current year ELWa will support approximately 232,000 learners in further education, more than 27,000 learners in sixth forms and 57,000 working age adults in work based learning and 2,500 adults in community learning. Up to 4,500 new learners will be supported by Individual Learning Accounts Wales. 4,000 Welsh businesses will be assisted to develop their leadership and management skills and a further 650 companies will commit to Investors in People. At the same time ELWa is committed to investing in the people and the fabric of the learning and skills sector, recognising and developing the talents of educators and improving the quality of facilities.

Lifelong learning is at the heart of the Assembly Government's objectives for creating social justice and economic success. Yet, while the post-16 sector delivers some excellent quality provision and has many strengths, it faces a number of challenges including:

- Responding to demographic changes over the next few years are placing greater pressure on the finite resources for post-16 learning
- Ensuring that learners have greater choice and higher standards, with a wider range of academic and vocational programmes
- Achieving high quality across the full range of provision
- Enabling adult learners to have greater access to provision for basic skills
- Training for work and learning for personal development
- Engaging much more effectively with employers to meet local skills needs and improve productivity.

In addition there are long-term problems of widely diverging standards of learner achievement, a legacy of historic under-investment in the learning and skills sector and the inheritance of unsustainable, inequitable funding models, which have encouraged wasteful duplication, nugatory competition, and sustains too much poor provision.

There are many activities in place which will enable ELWa to facilitate learning that meets the needs of individuals, businesses and communities, improving choice and ensuring more flexible, accessible learning opportunities with clear academic and vocational progression routes. There are already promising signs of change – for example, greater numbers of people are participating in learning – but more needs to be done. This Assessment of Learning – a key element within the National and Planning Funding System - reviews some of the learning policy developments and challenges facing the learning network and highlights the emerging priorities that ELWa and the learning providers will need to address over the medium term.

Considerable progress is being made in the collection and analysis of data and intelligence to help inform the National Planning and Funding System. Baseline data is produced and updated twice a year covering all economic and social indicators on learning and the labour markets at a national, regional and local level. This information is being enhanced by information collected from Sector Skills Councils, Regional Committees, CCETs, and a whole range of other national, regional, local and sector partners. As we move forward it is our intention to become ever more sophisticated in the use of this intelligence in support of planning and funding, but it must be emphasised that the priority for intervention will be in those areas of clear 'learning market' failure i.e. where learning provision demonstrably is not meeting the needs of individuals, businesses and communities.

3.0 Overview of Priorities

This assessment presents priorities for learning and skills against its key themes of

- Welsh Policy Initiatives (as agreed by ELWa and WAG)
- Social issues
- Economic and skills issues
- Sector and occupational requirements
- Improving learning infrastructure and supply of learning.

3.1 Welsh Policy Issues

The policy analysis concludes that the key policy priorities for Wales for the post 16 learning and skills sector are as follows:

- Improving the level of basic skills amongst all the people in Wales and ensuring sufficient learning supply to meet future demand; and
- The development, promotion and embedding of Welsh language skills and bilingual learning across all types of learning
- Upskilling the workforce to Level 3
- Management and leadership.

3.2 Social Issues

The analysis of the social challenges facing Wales indicates priorities for the learning and skills sector as follows:

- An urgent requirement to develop effective basic skills provision / supply, ensuring that the sector is geared to support free Level 1 provision. Indications are that the primary route to support basic skill learners should focus on the workplace and use the workplace as the place to develop the basic skills required.
- Demographic trends suggest that the focus of additional learning activity needs to be upon the employability skills of older workers (45 plus), ensuring that they are able to cope with the changing requirements of industry.
- Looking ahead there is a need to ensure that the learning and skills sector is able to respond to the skill needs of migrant workers, inactive, disabled and ethnic minorities.

- As individuals age their involvement in learning declines, this needs to be avoided and a priority has to be increasing participation in learning amongst older people.

3.3 Economic Issues

The economic priorities for the learning and skills sector are as follows:

- Increasing participation in learning amongst businesses – funded in the main by the business themselves
- Raising the demand for learning and encouraging more businesses to invest in their skills development of their companies through workbased learning, IIP and workforce learning accounts
- Raising the skill levels of the workforce to Level 3, through focusing on the needs of those learners that wish to improve from Level 2 up to Level 3
- Enhanced support for the development of effective management and leadership skills
- Focus on embedding generic skills in all learning.

3.4 Sector and Occupational Issues

The priorities common to all sectors identified in the sector and occupational analysis are as follows:

- The need to transfer the funding support for learning from Level 2 to Level 3 and to support more learners up from Level 2 to Level 3
- The need to revisit and revamp work based learning programmes – the overwhelming view is that they do not deliver what the employer wants. The overriding view is that rather than simply fund more, the system needs to be redesigned to fit the needs.
- Management and leadership skills need to be developed for all sectors and this needs to be a priority – the higher level apprenticeship is key to this.
- The need for more active promotion of vocational learning to parents, workers and employers as this is seen as the most effective way to reduce skills gaps in Wales.
- The need to drive up demand (linked to products and services) for SMEs to be able to effectively engage in business learning and workforce development

In terms of the priority sectors, the overwhelming view was that the skill needs of the following should take priority when considering growth and additional funding allocations:

- Tourism
- Retail
- Social and early years care
- Construction and
- Technician skills for manufacturing and engineering

3.5 Priorities to improve the supply of learning

The analysis concluded that the following are priority areas across the learning sectors that need to be developed to drive up satisfaction levels and improve the quality of learning in Wales:

- Enhanced learner support for all learners
- Promoting parity of esteem across all learning – this is seen as critical if we are to achieve the 14 – 19 policy
- Effective advice and guidance to all individuals
- Marketing that actually informs learners of the options and job potential to support recruitment
- Increased collaboration across all providers
- Increased focus on retention and minimising drop outs and non completions
- Recognising the distance travelled in learning through the accreditation of small chunks of learning
- Improve the quality of teaching via effective and timely learner feedback, enhanced management skills and effective inductions into the topic area and learning style to be used.

4.0 ELWa's Planning Process

'Planning' is one of ELWa's key drivers for effecting change. The adoption of a single national planning system for post-16 learning (excluding HE) is a major innovation.

Planning is a conceptually difficult area. There is no 'ideal model' for public service delivery. When considerations of the most appropriate arrangement for post-16 learning are critically considered in the context of the role of education and training in contributing to economic and societal welfare, the issues are even more complex.

Problems with investment in learning and skills, especially when viewed from an economic perspective, are symptoms of wider issues – the problematic nature of 'human capital' in business strategy, and the failure of many British companies, especially those serving the domestic market, to move away from low cost, low skill strategies. There is no obvious supply-side solution; while the creation of a planning mechanism for post-16 learning may contribute to a more efficient or equitable pattern of learning provision, it will not necessarily deliver a 'step change' in participation in learning, skills development, or Wales' overall economic fortunes.

The planning methodology adopted by ELWa thus does not seek over-ambitious 'command and control' of learning delivery, but aims to alleviate some of the weaknesses of the current quasi-market arrangements (duplication, segmentation and exclusion) while retaining their strengths in flexibility and responsiveness, intervening selectively to correct market failure and deliver a learning network fit for the 21st century.

2005 - 2006 is a transition year for ELWa as we move towards the merger, in April 2006, with the Welsh Assembly Government. During this period our focus will be upon:

- the planning and funding of high quality lifelong learning;
- reviewing the processes necessary for the successful implementation of the planning framework;
- addressing the implementation and operational issues encountered during 2004; and

- completing the development of a National Planning and Funding System that is fit for purpose and meets the requirements outlined in our 2005 Remit Letter.

5.0 Key Welsh Policy Initiatives

ELWa's Business Plan 2005 – 2008 (www.elwa.org.uk) highlights a number of policy related challenges:

- A growing population and widening participation in learning will place greater pressure upon the infrastructure and resources of the learning and skills sector in Wales
- No material change in the number of 16-19 year olds but increasing numbers staying on in full time education and training
- The need to increase employment levels
- Helping low skilled people to upskill
- Improving competitiveness of Welsh business through workforce skills development and leadership and management training
- Stimulating higher demand for skill; and
- Demonstrating and delivering the benefits of learning to the many disadvantaged people in Wales.

Over the period of the 2005 – 2008 Business Plan, ELWa aims to support learning and skills in Wales by a small number of related developments:

Modernising Learning Provision – Headline priorities 2005-08
<ul style="list-style-type: none">▪ Apply the new National Planning Framework and Funding System to lever change in line with the skills demand of the Welsh economy;▪ Calculate funding for School Sixth Forms and Further Education under new methodology with all providers 'safety netted' at 100 per cent of base year levels (2005-06) up to 2007-08. In 2008-09 and 2009-10 all providers will be 'safety netted' at 99 per cent and 98 per cent respectively. Work Based Learning providers will be brought into the system in 2007;▪ Systematically assess and develop the capacity of the integrated provider networks to meet the needs and demand for learning in each Pathfinder area. Six Geographical and four Sectoral Pathfinders will pave the way in 2005;▪ A Strategic Investment Fund to encourage collaboration and introduce a new approach to capital investment in 2005; and▪ Reconfigure Welsh for Adults and Community Learning.
Learning and the Economy - Headline Activities / Targets 2005-08
<ul style="list-style-type: none">• An integrated, flexible business support service with the Welsh Development Agency and its successor to meet employers' specific needs• An enhanced programme of management and leadership training, prioritised to employer need• A new Workforce Development Programme as the main way for providing direct support to employers;

- Free basic skills training up to Level 1
- A 75% increase in the take-up of Investors in People
- Targeted support to help economically inactive people back into work
- Investment in the Credit and Qualifications Framework for Wales extended to increase learner and employer participation and attainment in workforce development
- Prioritise Welsh language in workforce development; and
- Coordinated marketing and communications activity and business customer service levels that are best in class.

Raising Quality and Standards - Headline Activities / Targets 2005-08

- Reinforce providers' responsibility for managing the quality of provision by embedding self-assessment as a key process within all providers
- Introduce a new package of targeted support and monitoring for under-performing providers;
- By 2008 ELWa will not fund provision which, post-Estyn inspection, does not have as a minimum grade 3 (acceptable) in all aspects of delivery
- Reward excellence, good practice, innovation as well as tackle inefficiencies and penalise underperformance
- Strengthen ELWa's capacity for managing the quality agenda; and
- Address quality deficits in the provider network which hinder progress in raising standards to grade 2 in all aspects of delivery by 2010

Promoting Bilingual Learning - Headline Activities / Targets 2005-08

- Consider the establishment of six dedicated language centres to reform Welsh for Adults provision and increase the number of qualified tutors
- Starting in January 2006 train over 160 staff in schools, FE and training providers in bilingual teaching skills
- Provide sufficient uplift in the funding of Welsh-medium training in the NPFS to recognise the additional costs involved in such provision
- Ensure the needs of Welsh learners and the Welsh curriculum in the workplace are fully absorbed into the CQFW
- In collaboration with other agencies, promote and market the advantages of Welsh language and Welsh medium-needs and training on an improved research basis

<ul style="list-style-type: none"> • Ensure Welsh-medium and bilingual issues are integral to all E-learning developments • Maximise opportunities to mainstream bilingual learning by introducing a Welsh language scheme test in all key planning and approval processes.
<p>Improving ELWa's Performance and Managing Risk – Headline Activities/Targets 2005-08</p>
<ul style="list-style-type: none"> ▪ Strengthen internal programme management and decision-making processes; ▪ Embed best practice in project management; ▪ Achieve the Investors in People standard; and ▪ Ensure resources are in place to maintain business continuity during the merger with the Welsh Assembly Government
<p>The Merger of ELWa and other ASPBs with the Welsh Assembly Government – Headline Priorities 2005 – 06</p>
<ul style="list-style-type: none"> ▪ Focus on learners and delivery; ▪ Create a single intelligence hub across lifelong learning and economic development portfolios, to collate and interpret information from local, regional and national stakeholders and providers. The intelligence hub will inform policy prioritisation and ensure that policy responds to need; ▪ Bring together all network development activities (14-19, Geographic Pathfinders, CCETs) into a single rationalised approach to local delivery; ▪ A common and simpler approach to business assistance backed by a common field force that is shared between partner bodies; ▪ Simpler and faster decision making processes; ▪ A more coherent approach to external relationship management, regional and local planning delivery and advisory boards; and ▪ Ensuring access to good career opportunities for ELWa staff in the new Welsh Public Service.
<p>Financial Plan – Headline Priorities 2005-08</p>
<ul style="list-style-type: none"> ▪ Ensure current demand for learning is funded and treat all sectors equally; ▪ Use funding to leaver change; ▪ Drive efficiency saving and productivity increase across all provider sectors to achieve better value for money;

- Spend to save, by releasing funds for strategic investments to develop more effective and efficient learning provision and a viable learning network;
- Make more finance available (as resources permit) to individuals, communities, and particularly employers, to spend directly on education and training, opening up choice and widening participation;
- Encourage learner contributions of learning;
- Maximise European funds to support strategic priorities;
- Rigorously test and evaluate all projects; and
- Maintain the reduced level of ELWa's overhead expenditure.

5.1 Welsh Assembly Government Priorities For ELWa

- **Skills and Employment Action Plan 2005 (SEAP)**

The main challenges in SEAP include reducing the Basic Skills deficit, tackling barriers to employment and Wales' entrenched economic inactivity problem; helping employers, in particular SMEs, to move up the value chain and improve the quality of jobs in Wales.

- **Learning In and For the Workplace**

ELWa undertook a major review of vocational learning opportunities in and for the workplace, listening carefully to the concerns of learners, employers, trade unions, training providers and other partners. As a result of the review a number of initiatives in the planning, funding and delivery of vocational programmes are now being taken forward.

- **Basic Skills Strategy**

In collaboration with the Basic Skills Agency and other partners ELWa is committed to securing high quality basic skills support and provision, which is diverse, comprehensive and able to meet the widest range of learners' needs; widening access, encouraging participation and improving attainment in basic skills; and joint working on policy and programme development.

- **Learning Pathways 14-19**

ELWa is working closely with the Welsh Assembly Government and local 14-19 Networks to make the Learning Pathways agenda a reality. In particular ELWa will ensure that its planning and funding supports a diverse range of learning opportunities, and is developing its policy on collaboration between providers to ensure seamless progression and the widest possible menu of options for all learners.

- **Iaith Pawb**

The Welsh language is an integral part of Wales' history, culture and social fabric. The Assembly Government's National Action Plan for a Bilingual Wales aims to preserve that inheritance for future generations by increasing the proportion of the population that can speak Welsh, arresting the decline of the Welsh language in its heartland communities and mainstreaming Welsh-medium services.

5.2 Policy Priorities 2005 - 2008

The above analysis concludes that the two key policy priorities for Wales for the post 16 learning and skills sector are as follows:

- Improving the level of basic skills amongst all the people in Wales and ensuring sufficient learning supply to meet future demand; and
- The development, promotion and embedding of Welsh language skills and bilingual learning across all types of learning.
- Upskilling the workforce to Level 3
- Management and leadership

6.0 Social Overview

The People of Wales

6.1 Demographic Trends

The total population of Wales is approximately 2,946,000. Forecasts indicate that the population in Wales will be 3,020,000¹ by 2011. Whilst a significant proportion of this increase will be attributed to a rise in older people of retirement age, some of it will be the result of rises in the number of people of working age. Welsh Assembly Government's calculations, suggest that having a smaller population of working age amounts for 2.5 out of the 20% points gap between Welsh and UK Gross Domestic Product. These trends suggest that it will be important to maintain the employability of those workers in Wales who wish to continue working in order to offset the decline in new entrants into the labour market.

In the shorter term, there will be some growth in the number of people aged between 16 and 18. This group is expected to increase by 3,000 between 2003 and 2008 where they will peak at 120,000. Overall, the number of 15 to 29 year olds is expected to increase by around 4% between 2003 and 2006.

To some extent these trends may be moderated by net inward migration, particularly from the new accession countries of the European Union. Figures for 2003 show that there is a small net immigration into Wales of some 15,000, but gross flows are much larger between the UK regions with 48,000 leaving Wales and 63,000 moving into Wales. Cross border commuting to work also lowers the effective working population. In 2001 75,000 Welsh residents worked outside Wales, whilst only 42,000 non-residents travelled in the opposite direction.² To the extent that immigrants lack language and other skills is a need to target them with respect to training and education.

Demographic forecasts indicate that future growth in learners will be amongst post 16 adults. The trends suggest:

- 10% fall in the number of children (0-15 years) over the next decade.

¹ This forecast is wholly dependent on net in-migration of 82,000 people

² See M K Jones *et. al*, Overview of the Welsh Labour Market, *Contemporary Wales*, vol. 16, 2004, pp 150-177

- A small, 2%, rise in the working age (16 to retirement age) population over the period.
- And a further increase in the proportion of those above retirement age.

6.2 16 – 19 Year Olds

The group of 16-19 year olds is expected to grow from around 156,000 people in 2003 to a peak of around 162,000 people in 2008 and then to decline quite markedly to a trough of around 135,000 people by 2021. If we consider just 16 year olds and assume that their overall propensity to follow current 'destinations' remains constant, then we can project a pattern for learning options as shown below:

Numbers of 16 year olds following different destinations; selected years to 2021; assuming proportions following different destinations remain constant

	2003		2008		2011		2021	
	%	No.	%	No.	%	No.	%	No.
6 th Form	40.2	15,848	40.2	16,108	40.2	14,801	40.2	13,593
FE College	33.1	13,050	33.1	13,263	33.1	12,187	33.1	11,192
Work based training	8.7	3,430	8.7	3,486	8.7	3,203	8.7	2,941
Employment without government support	6.2	2,444	6.2	2,484	6.2	2,282	6.2	2,096
Not in education, training or employment	6.5	2,562	6.5	2,604	6.5	2,393	6.5	2,198
Not known/left area	4.2	1,656	4.2	1,683	4.2	1,546	4.2	1,420
	100.0	39,245	100.0	40,072	100.0	36,819	100.0	33,815

Source: Government Actuaries Office; Careers Wales

The Welsh Assembly Government introduced Education Maintenance Allowances (EMAs) into Wales in September 2004, however their impact on potential learning choices is still unclear. Evaluation of the pilots in England highlighted that there was an increase of 4.3% in the numbers entering full time education; there was a decrease of 1.6% of young people entering the training and employment route and a decrease of 2.7% in those young people not entering education, training and employment.

Based upon this analysis and the low level of marketing activity associated with the initiative we do not expect that EMAs will have a major impact on learner behaviour in its early years and that it may result in an additional 1 to 2,000 learners moving into full time education. Little impact is expected upon those entering work based learning this year – although it is felt that this is the route that will suffer from declining numbers in future years. (The evaluation indicated a decline of 5.4% of years 12 moving into this option).

We need to ensure that the introduction of EMAs does not reduce the value of workplace learning and ELWa with providers will develop marketing plans that promote parity of esteem across all forms of learning.

It is the challenge posed by the additional volumes of learners aged 18 and over that is an important issue for ELWa and the provider network. Looking at the demographic changes clearly reveals an ageing workforce and implies a continuing need for strategies that place some emphasis on the skilling and re-skilling of older workers. This is a difficult message to get across. Household surveys both in Wales and across the UK reveal consistently lower likelihood of older workers being trained by their employers and consistently lower levels of positive motivation towards training by older workers themselves. Indeed there is a considerable likelihood for men with redundant skills to leave the workforce entirely.

At a less strategic level, there will be steadily rising demand for skills in the caring for and nursing of older people which needs to be met.

6.3 Disability

Wales has a higher proportion of the population suffering from a disability than all but one region in Britain and disability is more likely to result in non-employment than elsewhere. In 2003 23% of the working age population in Wales was classified as disabled and for 19.5% of the working age population this disability limited the amount and/or type of work they could do. Only 25% of the disabled were in work in Wales in 2003 compared to 80% of the non-disabled. As a consequence less than 54% of the economically inactive in Wales and 26% of the unemployed had a disability. Both disabled women and disabled men have on average fewer qualifications than the non-disabled and the negative impact of lack of qualifications on employment is higher for the disabled. It follows that raising the qualifications of disabled people could substantially improve their employability.

6.4 An Aging Workforce

In 2003 over 60% of those between 50 and retirement age were still at work in Wales, but that was nearly 8% less than the UK rate. The lower employment rate of the over 50s reflects a low level of qualifications, increasing health problems and possible age discrimination, declining productivity or obsolescence of human capital. In particular, this group contains 40% of the total population without qualifications.

6.5 Ethnicity

The non-white population is much smaller in Wales than in the UK as a whole – 2.1% of the population as opposed to 7.9% in the UK as a whole and the employment gap in Wales for ethnic minorities is lower than in England. In Wales non-whites are more highly concentrated in urban areas such as Cardiff, Swansea and Newport and it may be necessary to focus resources for ethnic minorities on these locations.

6.6 Employment Patterns

Over recent years³ there has on average been a shift towards better-paid jobs and the overall pattern has been broadly similar in Wales as a whole. It is also notable that there has been a decline in middle range semi-skilled jobs as a result of automation. Overall, however, it seems that skills at all levels will become increasingly important. Good basic standards of literacy and numeracy and interpersonal skills will become increasingly important and some people with very low skills will find it increasingly difficult to find jobs. Yet certain lower skilled sectors may grow, such as care, personal services, leisure, other personal services and sales occupations, which are all forecast to grow substantially.

6.7 Inactivity

In recent years employment in Wales has increased and unemployment has declined. However, compared to the UK as a whole, Wales has a long-standing problem of relatively low employment rates, caused by the high proportion of the population who are 'economically inactive'.

Economic inactivity is closely associated with poverty and other social problems, and it contributes to Wales' relatively low GDP per head.

³ WAG Annual Report on *Government Funded Economic Research in Wales, 2004*

Research⁴ found that there is severe disengagement from the labour market on the part of many of the inactive with around half of the inactive males and nearly half of the inactive women not having worked for ten years or more. No less than three-quarters of the inactive respondents lived in workless households and over two-thirds had no formal qualifications. Among the inactive population were many young men aged between 18 and 24 who were disengaged from employment, training and education. This suggests the need for targeting of education and training programmes among particular groups in certain localities where such problems are more manifest.

*The National Survey of Basic Skills in Wales, 2005*⁵ noted in particular that there is a striking gender gap in performance in the numeracy assessment. Nearly one in three men achieved Level 2 attainment level compared to only one in seven women. Unemployed respondents were nearly twice as likely as employed respondents to be classified at entry level in the literacy assessment and only one in four achieved Level 2. Those who said they were not working because of a long-term illness or disability performed particularly badly in the literacy test. It should also be noted that levels of literacy are lower among 16-19 year olds than any other group under 50. This is both worrying and puzzling as one would expect the opposite to hold. Assuming that the results are representative then the role of the workplace in conferring basic skills is more important than has perhaps been acknowledged.

6.8 Regional Variations

Within Wales there are considerable differences in patterns of employment and inactivity across Unitary Authorities. In 2003 working age employment varied from 62% in Neath Port Talbot to 78% in Flintshire. Unemployment rates for economically active people aged 16 or more varied from 3% in Flintshire, Powys and Wrexham to 7% in Blaenau Gwent, Neath Port Talbot and Rhondda Cynon Taff. Excluding students, around 23% of the working age population of Wales were economically inactive, the highest rate being 32% in Merthyr Tydfil and the lowest (17%) in Flintshire.

⁴ D.Blackaby et. al; Part I – *Identifying Barriers to Economic Inactivity in Wales*, May 2003 and Part II – *A Survey for the Inactive in Three Areas of Special Interest*, September 2004, Reports for the Economic Research Unit, Welsh Assembly Government

⁵ Williams and Kincaid,

6.9 Where are People Working?

As in the rest of the UK the industrial distribution of employment in Wales is dominated by the service sector which accounts for over 72% of all employment. Within the sector Public Administration, Education and Health dominates with 32% of all employment, followed by Distribution, Hotels and Restaurants (23%) and Manufacturing (17%). Banking, Finance and Insurance is much smaller in Wales than in the UK as a whole. This has important implications for educational provision as no less than 50% of employees in the Public Administration related sector are educated to NVQ Level 4 and above, with the corresponding figure for Banking at 35%. At the other end of the spectrum the corresponding figure is 9% in Distribution, 12% in Construction and 13% in Agriculture and Fishing.

Turning to occupational distribution Wales has lower levels of employment in those occupational groups requiring higher skills and higher proportions in those requiring lower level skills than in the UK as a whole. The growth of employment in contrast is concentrated in higher-level occupations with less skilled occupations in decline. While there is a clear association between levels of occupation and levels of education, this is not a precise one. Thus, 7% of managers and senior officials have no qualifications, while 1% out of these in elementary occupations has a degree or equivalent. While to some extent this may imply different job levels within occupations or different requirements according to size of establishment raising the educated profile of the less educated within occupations may be an important tool in raising productivity.

6.10 What Skills do we have?

Lack of qualifications is a particular barrier for those of working age who are not in employment. Thus, those at NVQ Level 4 and above constitute 23% of all people aged 16 and over, but only 12% of the non-employed. Conversely, those without any qualifications constitute 17% of all persons aged 16 and over, but 31% out of the non-employed. These figures relate to a period when demand for labour was relatively high. As the labour market tightens employers are more likely to take on labour relatively lacking in employment skills, so that these figures present a more favourable picture than would be the case if the labour market were depressed. Low qualifications are a significant indicator in determining the likelihood of an individual being unemployed or economically inactive.

Percentage qualified to NVQ equivalent levels of whom are at:								
	NVQ 4+	NVQ 3	NVQ 2	Below NVQ 2	Other Quals	NVQ 1	Trade App	No Quals
England	25.0	14.7	15.3	45.0	9.0	14.9	6.2	14.8
Wales	22.5	14.3	16.7	46.5	8.0	13.9	6.7	17.8
Scotland	28.4	14.6	12.5	44.5	7.3	11.5	9.1	16.6
N Ireland	21.6	12.4	16.9	49.1	2.2	10.9	11.0	23.9
UK	25.1	14.6	15.2	45.1	8.6	14.5	6.6	15.4

6.11 Basic Skills

There are long-term basic skills deficiencies in the Welsh population, and the position is generally regarded as worse than in England. Survey evidence shows that about 25% of working age adults do not have Level 1 competence and over half of 16-65 year olds do not have a similar level of numeracy.

While these results do need to be treated with caution – mathematical skills in particular decline with age if not regularly used – they do show that many people lack the basic tools to take advantages of opportunities at work and in social life.

A literature review⁶ has been carried out on the impact of workplace basic skills training on individuals, as measured by their effects on wages and employment probability. Studies on the returns to individuals of general training at the workplace are also considered. Evidence suggests that better numeracy and literacy skills have a strong positive effect on individuals' earnings and employment stability, even when other relevant factors, such as qualifications levels, are taken into account. Indeed better skills are strongly associated with higher earnings, a lower probability of becoming unemployed, better health and reduced crime: it is estimated that having basic numeracy and literacy increases wages by between 6 and 10%. There is also some evidence to suggest that general training provided at the workplace has a positive impact on individuals' wages.

The analysis of the basic skills challenge indicates that greater attention needs to be paid to encouraging the demand for basic skills among employers. Ways to support

⁶ Basic skills and workplace learning: what do we actually know about their benefits? (Katerina Ananiadou, Andrew Jenkins and Alison Wolf, Institute of Education, UK) – July 2004

employer investment in skills, which will lead to improved business performance and hence further investment in skills, need to be developed. The necessity for continued marketing is implied, and for individuals in relevant organisations who are able to recognise people with basic skills limitations and to engage them in improvement programmes.

Basic skills training needs to be of the right type – given to individuals who can progress and relevant to their skills gaps. Basic skills training should be allocated selectively and efficiently if the best return on investment is to be achieved. This may imply targeting (perhaps according to socio-economic characteristics, geographical area and level of need) and good assessment processes.

The Basic Skills Agency has published a map illustrating the level of need for basic skills training in each of the Unitary Authorities in Wales. This indicates that the need for Basic Skills training is most concentrated in the South East Wales Valleys area. Residents in Neath Port Talbot, Rhondda Cynon Taff, Merthyr Tydfil, Caerphilly, Blaenau Gwent and Torfaen had a high level of need in relation to the Wales average. Cardiff, Newport, Bridgend, Swansea Carmarthenshire, Pembrokeshire, Gwynedd and Wrexham were roughly in line with the average. The Vale of Glamorgan, Monmouthshire, Powys, Ceredigion, Flintshire, Denbighshire, Conwy and Anglesey, had the least need for basic skills training.

6.12 Participation in Learning

Within Wales 42% of adults were either currently engaged in some form of learning activity or had undertaken such activity in the previous three years (NIACE, 2003), which was a higher proportion than in the rest of Britain. While no less than eight out of ten of the 16-18 year olds are engaged in some kind of learning, this figure halves among 19-24 year olds and halves again by age 25-30. Of particular concern is a core of 12,000 individuals aged 16-18 who are neither working nor engaged in any form of learning.

There were nearly 55,000 ELWa-funded Work Based Learners in the financial year to 2003. Modern Apprenticeships and Foundation Modern Apprenticeships accounted for over 80% of these trainees, many of whom were under 25 years of age. While many leave the youth programme to undertake further training and education, 40% of all leavers and 60% of those aged 19-25 go into employment. Not all outcomes are positive and post-training transition to unemployment is a particular problem for

adults, especially the over 50s. There may also be a problem of low quality of entrants as typical learners may suffer from varying degrees of social problems. There is a difficulty in attracting good applicants, as the profile of WBL amongst schools and parents is low. It is also difficult to persuade some employers of the advantages of WBL to their business, particularly when many trainees did not complete their programmes for one reason or another.

Adult education provision in Wales is currently either provided or facilitated by local education authorities, there being nearly 56,000 adult enrolments in 2002. The OECD (2002) has suggested that adult learning should play a more prominent part in the development of lifelong learning strategies as it provides greater versatility and mobility of workers.

Workforce development can be provided by formal or informal, on-the-job or off-the-job and employer-financed or non-financed means. Female employees now receive more training than men, perhaps because women tend to be employed more in the public sector than men and nearly twice as many employees in the public sector have training in the previous four weeks than in the private sector. The incidence of job related training is high in Wales relative to the rest of the UK, but workers in Wales are less well qualified.

6.13 International Comparisons – Wales in the World

ELWa has attempted to measure Wales' performance in different aspects of lifelong learning against other countries of the world. The main findings available for Wales were limited, due to available data, but can be summarised as follows:

- The UK's performance on productivity (measured in terms of output per hour worked) is 89.8% of the EU average. This puts the UK in a weak 16th place out of the 20 best performing OECD countries, and well below leading countries such as Norway and Belgium. Wales' productivity is lower than the UK average, approximately 71% of the EU average⁷.
- Almost 21% of adults surveyed (25-64 year olds) had recently undertaken education and training. This placed Wales in a strong 6th place out of the 20 best performing OECD countries – above N.Ireland but slightly below England and Scotland.

⁷ Wales' GDP figures are not strictly comparable but are a close comparison.

- 87% of companies surveyed in the UK offered continuing vocational training to their workers, compared with an EU average of 62%. This placed the UK in 4th place. Separate data suggests that Wales follows this general UK trend.
- Participation of young people (18-24 year olds) in education and training is poor, placing Wales in 22nd position, behind England, itself in 20th position in the EU. 46.2% of young people in Wales had recently participated in learning, compared with the leading countries of Denmark and Slovenia, which have rates of over 65% participation.
- 25% of all adults tested in Wales were found to lack the most basic level of literacy. Compared with a range of EU and other international countries measured, Wales performed poorly, being placed 20th- falling below England and Scotland. Sweden was the best performer with just 7% of adults not possessing basic literacy skills.
- UK firms spend less time on training than the majority of their European counterparts but also spend less in financial terms on training and development. Although 74% of UK organisations claim to have a dedicated training budget, the average investment per capita per year is only about £1,200 – less than half the amount spent by Germany. On a more positive note, 64% of UK firms surveyed had a vocational training plan for their workers, compared with 42% in Ireland and just 9% in Portugal

6.14 Social Priorities for Learning and Skills

The analysis of the social challenges facing Wales indicates priorities for the learning and skills sector as follows:

- An urgent requirement to develop effective basic skills provision / supply, ensuring that the sector is geared to support free Level 1 provision. Indications are that the primary route to support basic skill learners should be through supporting these skills in the workplace
- Demographic trends suggest that the focus of additional learning activity needs to be upon the employability skills of older workers, ensuring that they are able to cope with the changing requirements of industry
- Looking ahead there is a need to ensure that the learning and skills sector is able to respond to the skill needs of migrant workers, inactive, disabled and ethnics

- As individuals age their involvement in learning declines, this needs to be avoided and a priority has to be increasing participation in learning amongst older people.

7.0 Economy and Skills Overview

Skills and the Welsh Economy

Developing the nation's stock of human capital is the focus of economic policy in the UK. In Wales, the Welsh Assembly Government has the strategic responsibility for tackling what is perceived to be a low skill, low wage and high dependency problem. Accordingly investment in people has high priority in overall economic and social policy. The fact that the UK has a low proportion of people with intermediate level skills has been interpreted by some to imply that there are failures on the demand side for certain levels of skill and that at least in certain sectors UK firms have tended to follow a strategy of producing low specification products, using poorly qualified labour. This view is not one that is generally accepted as being conclusive.

Over the last decade, the Welsh Economy has performed well by historical standards, but particularly in the Objective 1 area of West Wales and the Valleys there remain problems of job losses and out-migration of skilled workers. Recent benchmarking work by WELMERC using an index containing employment income and human capital shows that over the period 2000-2003 the relative labour market improvement in the Objective 1 area was 10.7%, but this was exceeded in the Objective 3 area of East Wales, which showed a gain of 12.3%.¹

Current forecasts suggest worryingly that the prosperity gap between Wales and the rest of the UK is likely to widen during the next 10-15 years. There are a number of factors which may explain the prosperity gap such as:

7.1 Relatively low productivity

Within Wales there are substantial differences in productivity across regions with measured productivity being much lower in the Objective 1 area (e.g. Anglesey's productivity is only 61% of the UK average) than in the rest of Wales (e.g. Cardiff's productivity is 116% of the UK average). There are also differences across industrial sectors.

The UK, including Wales, differs from France and Germany (and a number of other European countries) in having relatively large numbers of people with very low, or no

¹ See WELMERC Newsletter, Spring 2004 and also M.K.Jones, "The Dynamic Benchmarking of Labour Markets", *Regional Studies*, Vol. 38.5, July 2004, pp 495-506

qualifications and a relatively small number with intermediate qualifications. The UK now has more graduates than either France or Germany. It has been suggested that as much as 20 to 25% of the productivity gap with other European countries can be explained by differences in the level of skill. Yet if the possession of certain types of skill, such as ICT, facilitates capital investment the above figure may underestimate the significance of skills acquisition.²

7.2 A shortage of business start-ups

In 2003 Wales lost just over 79,000 VAT registered businesses, but these were highly concentrated in just three sectors – Agriculture and Fishing, Wholesale and Retail, and Real Estate and Business Services. In the same year business registrations in Wales amounted to 8.7% of VAT stock, lower than elsewhere in Britain. Measured in terms of population the rate was 24 per 10,000 residents. Within Wales the highest registration rates are in South-East Wales. Regions with high levels of registrations also tend to have more deregistrations, reflecting the short lifespan of many new enterprises. Typically, in Wales the 12-month survival rate of new registrations is around 90%, but this falls below 60% after four years.

7.3 A shortage of appropriate skills

The demand for labour can be expressed in terms of the current number employed, hours of work, labour cost and unfilled vacancies. It is closely related to the business cycle, so that the initial response of employers to an increase in demand may be to utilise the existing labour force more intensively, through overtime and other means. In the recession the initial response may be to cut hours and then lay-off workers. What also matters is the skill profile of the available labour supply. In Wales managers and senior officials and professional, associate professional and technical occupations are under-represented relative to other regions - employment is, however, expected to increase in these areas. Likewise growth is anticipated in personal and service occupations and sales and customer service occupations. In contrast employment is expected to decline in administrative, clerical and secretarial occupations.

7.4 An outdated industrial structure

The structure of industry has changed dramatically over the last 30 years and is likely to continue to change, with a need for new skills. Manufacturing has been in decline,

² See the Market for Skills Summary of a Seminar hosted by the Economic Research Unit, Welsh Assembly Government, March 2005.

but still employs as much as 16% of the working population. Over the last decade employment in the service sector has increased by 130,000, including an additional 88,000 in public administration, so that overall the service sector accounts for 913,000 jobs. A particular feature of the Welsh economy has been its ability to attract foreign investment. By 2000 almost 74,000 people were employed in 356 foreign-owned manufacturing plants in Wales, representing one third of the manufacturing workforce. Similar numbers (77,300) are employed in tourism. Just under 11% of the workforce in Wales are employed in high-tech industries, close to the UK average.

7.5 What Skills Gaps Exist?

Claims of skill shortages need to be treated with a degree of caution. Employers may say that they are short of labour when their offers of wage and employment packages are relatively unattractive to potential employees. According to FSW 2003 the proportion of employers reporting hard-to-fill vacancies fell from 30% to 14% between 1998 and 2003, and only 7% of organisations reported that these were skill shortage vacancies, amounting to only 0.5% of employment reported in the survey. 19% reported a skills gap between the skills needed by the organisation and those held by their current workforce, suggesting a training need in these cases.

FSW 2003 asked employers which skills they required from their employees and at what level. 80% of employers needed high or advanced levels of skills in:

- Understanding customer needs
- Communication
- Ability to follow instructions
- Team working
- Showing initiative, and
- Adaptability/flexibility.

The prominence given to customer handling and communication skills needs to be more accurately reflected in the development of education, training and careers provision. These, like many generic skills are difficult to 'teach', but they should be an integral part of all learning, contextualised and embedded in programmes and not treated separately.

19% of employers report a gap between the skills the organisation needs and those held in their current workforce. Lack of IT skills is the most common problem,

followed by communication skills, showing initiative, problem solving and ability to learn. The consequences of skills gaps are serious, including loss in quality of service, loss of business to competitors and loss of efficiency.

Skills gaps are most prevalent among managers and senior officials, with 9% of establishments reporting them, rising to 11% for public administration, health and education establishments and 13% for manufacturing establishments. However, this may not necessarily indicate inadequate training for senior managers and officials. It may instead be a function of their generally high skills requirements and ambitious business objectives on the part of employers.

5% of establishments report skills gaps for administration and secretarial posts, skilled trades and sales and customer service jobs. Skills gaps for administration and secretarial jobs are most prevalent among public administration, education and health establishments; and more distribution, hotel and restaurants establishments report gaps for sales and customer service jobs than average. As these are all occupations and industry sectors that are expected to grow over the next five years, the implication is that without more resources, skills gaps are likely to grow in these areas. The concept of taking a customer-centred approach to work should be tackled in provision and delivery, recognising that all jobs have customers to cater for, both internal and external.

Most respondents from the FSW Household Survey appreciate the need for developing their skills levels in the current employment market. The majority stated that their job requires a greater level of skills and that they are more skilled now than 3 years ago.

Concerningly, those in work said that their skills were much higher than employers need and those out of work stated that their skills were slightly higher than employers need. This suggests that individuals may be overestimating their skills, or employers may be failing to fully utilise the skills available to them. Awareness of the true level of skills required needs to be raised, particularly among communities with high levels of unemployment or inactivity who may have out of date information. Advice and guidance providers should promote the use of relevant, accessible and up to date information on skills to all individuals.

7.6 What skills will be required in the future?

Across the range of generic skills, without exception, employers anticipate that skills levels will rise in the future. The greatest expected increase between current and future skills needed is in IT, followed by management skills, organising own learning and development, Welsh language skills and leadership skills.

When attempting to establish the future labour and skills requirements of the Welsh economy it is necessary to take account of both expansion demand (due to structural change) and replacement demand (due to people leaving jobs because of retirement or other reasons). Replacement demand is regarded as much more significant in terms of education and training requirements than expansion, even where the latter is quite large.

Forecasts indicate that:

- The general trend of greater gains in employment for females than for males is projected to continue up to 2012, so that females will account for 51% of Welsh employment in that year. Allowance should be made for the shorter hours that women work, particularly as full-time employees are projected to account for less than 59% of total employment in the UK by 2012. .
- Part time working is expected to increase across the UK. Since part-timers receive less training than full-timers this poses a particular challenge to education and training policies.
- Employment in Wales is expected to decline in the primary sectors and utilities, manufacturing and construction, but increase in distribution, transport, business and other services and non-marketed services, a trend which will be shared across the UK as a whole. What this means in absolute terms is a loss of 35,000 manufacturing jobs, 11,000 in construction and 8,000 in the primary sector and utilities. In contrast business and other services are projected to gain 45,000 jobs, non-marketed services 20,000 jobs and distribution, transport etc. 10,000 jobs. This will produce increased demand for occupational retraining. Job losses will be concentrated in elementary occupations and skill trades, amounting to some 35,000 jobs. On average the new jobs have higher educational and skill requirements than those jobs which will disappear. Thus, among professional occupations the largest gains will be in teaching and research, professional and health

professions, emphasising the importance of the public sector. The loss of jobs in the skilled trades occupations reflects the decline of manufacturing jobs. In this case the skills may not be appropriate for the new jobs available, so there will be a substantial retraining requirement.

- The importance of replacement demand can be illustrated by reference to personal service occupations where 35,000 extra jobs are anticipated, but when replacement demand is taken into account the total requirement rises to 80,000 new workers by 2012.

7.8 Economic Priorities for Learning and Skills

Trends in labour demand in Wales follow the same pattern as in the rest of the UK with continuous expansion in the service sector and a decline in manufacturing. However, Wales has a smaller proportion of the workforce in occupations requiring higher-level skills and a higher proportion in lower level skills relative to Britain as a whole.

The economic priorities for learning and skills are as follows:

- Increasing participation in learning amongst businesses – funded in the main by the business themselves
- Raising the demand for learning and encouraging more businesses to invest in their skills development of their companies through workbased learning, liP and workforce learning accounts
- Raising the skill levels of the workforce to Level 3, through focusing on the needs of those learners that wish to improve from Level 2 up to Level 3
- Enhanced support for the development of effective management and leadership skills
- Focus on embedding generic skills in all learning.

8.0 Sector and Occupational Skill Needs

A network of Sector Skills Councils (SSCs) has been established to inform those involved with the planning and funding of learning and skills about the priorities. The following information has been generated by the SSCs and where appropriate has been supplemented by additional intelligence generated from providers and regional colleagues.

8.1 Sector Priorities

In reality every sector has its priorities and these are listed below – however in summary the generic sector priorities that were identified are as follows:

- The need to transfer the funding support for learning from Level 2 to Level 3 and to support more learners up from Level 2 to Level 3
- The need to revisit and revamp work based learning programmes – the general consensus is that they do not deliver what the employer wants. The overriding view is that rather than simply fund more, the system needs to be redesigned to fit the needs.
- Management and leadership skills need to be developed for all sectors and this needs to be a priority – the higher-level apprenticeship is key to this.
- The need for more active promotion of vocational learning to parents, workers and employers as this is seen as the most effective way to reduce skills gaps in Wales.
- The need to drive up demand (linked to products and services) for SMEs to be able to effectively engage in business learning and workforce development

In terms of the priority sectors, the overwhelming view was that the skill needs of the following should take priority when considering growth and additional funding allocations:

- Tourism
- Retail
- Social and early years care
- Construction and
- Technician skills for manufacturing and engineering

8.2 Asset Skills – Covering: Property, housing, cleaning and facilities management.

10% of employers in Asset Skills' sectors reported skills gaps in the Future Skills Wales survey, these employers actually accounts for 7.4% of employees within the sector who are not fully proficient at their job compared to 5.1 per cent of employees in the Welsh economy as a whole. Data on skills gaps in England (NESS 2003) show that skills gaps are higher in cleaning (19%) than in property, housing and facilities management (FM) (16%).

For entry-level occupations in the sector such as cleaning, the acquisition of basic skills of literacy, numeracy and IT skills are critical to the performance of the sector. In property, housing and FM, skill gaps such as management and leadership and team working are more apparent.

Employers in the Asset Skills sector demand a greater skills level at both ends of the spectrum i.e. both the basic skills/communication agenda and also management and leadership. The sector requires:

- An efficient, productive workforce able to read, write and use numbers at an appropriate level, using the Welsh language where appropriate
- High levels of customer care: gaining and retaining customers
- Greatly improved employability skills: effective on entry to the workforce
- Effective workplace induction with a focus on Health and Safety at work
- Improved HR/personnel skills leading to more effective retention of existing staff
- Greatly improved management and leadership skills
- More qualified operatives at Level 1 and 2, more competent supervisors at Levels 2 and 3, and more effective managers and leaders at higher levels.

With regard to the supply of leaning in the sector:

- There are 18 cleaning delivery centres, 16 property centres, 12 housing centres and 3 FM centres – across all levels of the CQFW.
- For facilities management there is only one course actually running, with about 12 candidates.
- For housing the sector is not satisfied that provision is as needed and a group of providers is about to start a review project in July.

- Property – many professional and technical courses closed due to lack of demand
- Cleaning – a range of NVQ (mostly) and BICSc (few) centres identified
- Frameworks – there are only 27 candidates on approved frameworks across cleaning and property services.

8.2.1 Sector Priorities

- More focused employer incentives for investing in the skills agenda which are appropriate to their size and mode of operation. Particular attention to be given to SMEs for whom investment in the skills agenda is proportionately more costly.
- Focus needs to be given to vocational routes in the workplace and support between employment and within employment. The system needs to be flexible, blended, fit for purpose, available at the time and place needed and programmes of learning need to be bite-sized.

8.3 Automotive Skills – Covering: Retail motor industry.

In the Automotive skills footprint, the largest groups are skilled trades people and sales and customer service staff. Among skilled trade occupations, technical and practical skills are most likely to be required at higher levels. For sales and customer service occupations, communication, customer handling and team working skills are the most important where high level skills are required (but to different degrees)

Welsh employer research shows 1 in 10 organisations with hard to fill vacancies – indicating the presence of skills shortages. Half of all employer vacancies are in skilled trades.

67% of employers report that they have skills gaps in the area of technical and practical skills, as well as management and generic skills.

Currently there seems to be an over supply of entrants with lower skills and a lack of entrants with higher skills levels, particularly those with higher technical skills.

There are increasing trends to carry out more and more training with the manufacturer and not train apprentices via the traditional routes through colleges.

This trend may continue, as colleges cannot always bring in the state of the art equipment which current technological changes demand. It may be that the colleges need to work more as centres of vocational excellence, and capital expenditure focussed on a few centres to stem this change.

Automotive Skills is promoting technician licensing and has developed the Automotive Retail Management Standards (ARMS) to promote skills development, and the maintenance of high standards and this needs to be funded.

8.3.1 Sector Priorities

- Ability for employers to access funds for training that is carried out in house and by manufacturers.
- Ability to access funds to support basic and key skills training for current employees
- Ability to remove apprentice-training funding from training providers where low quality is an issue.

8.4 Central Government – Covering : Government Departments, Executive Agencies and Non-Departmental Public Bodies in the UK

The SSC for Central Government is still in its early stages of development, therefore the following is based upon the UK analysis:

Research suggests that the Central Government workforce needs to develop and improve skills in the following priority areas:

- Skills for e-government (e.g. procurement, business systems development, end-user skills)
- Management and leadership – people, performance, diversity
- Generic skills including basic skills (e.g. customer service, prioritisation, application of number, problem solving, team working)
- Skills for service delivery (e.g. project management, business planning and risk management; policy skills, customer service, stakeholder relationship management)
- Skills for specialists (e.g. human resource management, management and policy skills for those specialists who enter at higher grades and who may have ‘bypassed’ such experience).

8.5 Cogent – Covering: Chemical, nuclear, oil and gas, petroleum and polymer industries.

The development of the LNG sector and associated energy developments in Pembrokeshire will have a profound positive impact on the Welsh economy. To ensure that local labour benefits from these commercial opportunities it is vital that skills needs and methods of addressing them are identified and actioned through the delivery of a MA in Refinery Process Operations by providers in Pembrokeshire area.

The polymer sector allied to the automotive and engineering sectors in Wales is also a priority area for skills development.

There is scope to develop a centre of excellence in refinery operations, based on local training provision, in the Pembrokeshire area and to build upon the opportunity for skills and technology transfer into the global refinery industry.

Recognition is required that practical engineering skills and knowledge forms the basis upon which specialist skills and knowledge can be developed. Currently SWOIL (South Wales Oil Industry Learning) and Pembrokeshire College operate a 1 year bursary scheme for school and college leavers in general engineering. Trainees are subsequently placed with local SMEs to follow various apprenticeship schemes to Level 3. Further investment is required in this area.

8.5.1 Sector Priorities

- Learning to support the Refinery sector in Pembrokeshire, including an MA in Refinery Process Operations.
- Develop a centre of excellence for refinery operations.

8.6 ConstructionSkills - Covering: Construction sector

The construction sector has experienced major issues of change over recent years, some current and planned developments that will require skilled workers include:

- A £23m scheme to build a swimming pool complex at the International Sports Village in Cardiff and plans are being progressed for a £33m PFI deal to build five magistrates courts for Newport County Borough Council.

- Several onshore wind farms are being taken forward and three tidal power stations – at Bala, Rhyl and Swarsea – with an aggregate cost of £950m are due to start in 2006.
- The £38m PFI road scheme at Blackwood and plans have been approved for major schemes on the A494 and improvements to the A477 at Kilgetty. The Welsh Assembly Government has also announced plans for two £25m projects on the A465.
- Bids have been invited for a £1.1bn mixed use community development at the former BP oil refinery at Neath.
- Plans for the Valleywood Film Studio, including a cinema, offices and a hospital and estimated to cost £300m, have been approved and work could start by 2005.
- Plans have also been approved for a £500m redevelopment of Cardiff City Centre that is due to start Winter 2005.
- Also in Cardiff, a £31.6m new development comprising 774 flats and 4 commercial units is due to start in Spring 2005 – and outline plans have been submitted to start building a £53.3m residential development of 900 dwellings towards the end of 2005.

8.6.1 Sector Priorities

The construction industry faces a number of key challenges, which form the basis of its strategies for skills development. The following list sets out the main areas:

- Reducing current skills shortages in craft, management, and technical occupations.
- Improving business management, especially for small and medium-sized enterprises that rely on technical skill.
- Supporting the supply chain through moving to large consortia, long-term partnering, and facilities management.
- Keeping up with technological change (prefabrication, manufacturing) and customer preference.
- Demand management – forward planning to help smooth out peaks and troughs in activity.
- Improving generic/transferable skills.
- Looking beyond traditional labour markets – increasing diversity.
- Improving health and safety.
- Managing the international flow of labour.

- Increasing apprentice completions

8.7 Creative and Cultural Skills – Covering: Arts, museums and galleries, heritage, craft and design

Currently there is ad hoc LMI and consumer intelligence available resulting in individuals unable to make informed choices based on industry relevance. There is no apprenticeship culture and a lack of industry recognized competence frameworks from technical to managerial skills.

The 2003 Employer Survey highlighted that establishments in Wales required high levels of understanding customer needs, communication, ability to follow instructions, showing initiative, team working and adaptability. These findings are supported by sectoral research in the creative and cultural industries.

The small scale of businesses in the sector means they under-invest in training and skills in general.

The sector is currently experiencing higher than average employment growth. Developments in new technology raises the demand for new skills but it can be difficult for individuals to access the right training or the supply side and qualification system is sluggish to respond. Employers still report that although the supply of entrants to the sector is plentiful there are an unacceptably high number of people seeking to work in the industry with the wrong skills or unrealistic expectations about what careers are available.

8.7.1 Sector Priorities

- Support and funding for Creative Apprenticeships providing a better skills solution for employers and new opportunities for new entrants (young people and adults)
- Take up of Creative Learning Accounts to help freelancers and micro businesses
- Overhaul of qualifications with new NOS and a reformed sector qualification strategy based on identifying core competencies as the basis for accreditation of workforce skills.

- A focus upon Level 3 and above, vocational and generic skills.

8.8 e-skills UK – Covering: Information technology, telecommunications and contact centres

There is a significant number of IT Users in Wales with skills gaps. Wales exceeds the GB average for skills gaps in the professional IT workforce, the most significant gap being in the development and implementation of IT systems and services. High levels of management skills are also required for IT professional contracts and service providers. There is also a need to upskill business managers in the exploitation of ICT.

8.8.1 Sector Priorities

- Delivery of the new IT qualification, which is more flexible, employer-orientated than the old NVQ. In addition, vocational qualifications, APL and in-house training are mapped against this structure and can contribute to the IT qualification
- Introduction of the E-skills passport - 2,000 in 2005 - 2006
- Link the funding of ECDL and other IT courses to the ITQ and Skills Passport

8.9 Energy and Utility Skills – Covering Electricity and renewables, gas, waste management and water

With over one-third of employees within the energy and utility sector in Wales not being qualified to Level 3, there is clearly a need to up-skill large sections of the workforce (particularly at craft level).

Generic skills such as basic IT, management, customer service, communication and team-working need to be increased at all levels across the entire workforce while sector-specific skills at craft and engineer level (Level 2 and 3+) are needed – particularly in an ever increasing “multi-utility” environment.

Skills gaps in terms of management and leadership are impacting negatively upon innovation, diversification and general business performance while customer service, communication and team-working are an increasingly sought-after skill due to their importance in maintaining customer satisfaction (and therefore their loyalty).

It is unlikely that future demand for higher skills will be met, indeed the number and quality of science graduates has been decreasing over recent years (although the number of management graduates has increased) meaning that suitable entrants at engineer level are scarce indeed.

Due to the high age profile of the sector as a whole, there is an urgent need to promote the take-up of appropriate educational routes (be they vocational or academic) that will lead to an increase in the numbers of appropriately qualified new entrants – science, engineering and craft skills.

8.9.1 Sector Priorities

- Increased management and leadership skills
- Increased technical and generic skills at Level 3
- Increased attainment at Level 2 across the board (leading to a reduction in the proportion of the population that have no or low-level qualifications)

Gas Installation and Maintenance - E U Skills have developed an apprenticeship framework which is to be implemented in September 2005. Early indications are that at least 60 employers throughout Wales will support this option. Colleges currently delivering plumbing qualifications may also be in a position to offer the gas apprenticeship so numbers could increase accordingly.

Gas Network Operative - Due to the need to replace the existing, aging mains infrastructure there will be a requirement to recruit and train more Gas Network Operatives.

Waste Industry - National Occupational Standards for Recycling Operatives at Level 1 and 2 have been submitted to QCA/SQA for approval. If successful E U Skills will then work with awarding bodies to develop qualifications. E U Skills in partnership with WRAP (Waste and Resources Action Programme) are also looking to develop qualifications at Levels 3 and 4.

Electricity - There is a need to recruit more power engineers into the industry. Talks are currently underway to expand the Power Academy by encouraging more

electricity companies to become involved along with more universities providing suitable courses.

Recycling Industry - There is a need to fund the delivery of NVQs for kerbside recycling operatives at Levels 1 and 2

8.10 Financial Services Skills Council – Covering: Financial Services industry.

- There is a need to reduce the skills shortages in the sector – most of which relate to technical skills. The right level of communication and social skills can be a problem amongst school leavers and graduates
- Wales has a higher than average proportion of people without qualifications in the sector compared to the rest of Britain
- FE provision in Wales is rather generalised, being limited in the fields of business and accounting rather than finance
- Most employers meet their own training needs in-house. When looking to external providers, most companies go to private training providers – most outside of Wales.
- Training needs to be more relevant to industries' needs and training should be available that combines financial services with contact centre skills
- Some kind of compliance training needs to be made available in Wales
- Training to meet regulation requirements will need to be funded in Wales

8.10.1 Sector Priorities

- Regulatory based qualifications
- People Management and Business Management Skills
- IT Skills Support
- Customer Service Skills Support
- Supporting attainment of the regulatory-based qualifications registered on the NQF.

8.11 GoSkills: Covering - Passenger transport.

The current skills profile of the existing workforce is not adequate. A significant number of employers and operators have identified changes in skill needs and gaps

in the skill sets of their staff. There are critical issues relating to generic and cross sector skills.

In addition there is a need to promote a culture of learning within the sector to “improve” the skills profile of the workforce. Improvement in customer handling, communications, disability awareness and health and safety are needed and may in themselves go some way to improve recruitment and retention and enhance the customer’s experience of the sector, although other initiatives are needed. The primary qualification required for the sector, driving licenses is not recognized in the skills profile. The impending implementation of the new EU driver training directive and the way in which it is implemented will have a significant effect on the sector. Basic skills remain a priority for the sector.

The improvement in the softer customer service skills is a high priority for the sector, as this will play a significant role in the continuation of the increase in passenger numbers driving growth in the sector.

Training

Currently there is barely enough provision to meet the needs, should this not change, future skills needs will not be met. Recent research indicated that fewer than 30% of employers or operators had invested in training in the last 12 months. Potentially the demand could therefore grow by a factor of three. Many companies make use of training providers outside of Wales for their needs. Several Welsh providers see their reach as Wales wide rather than local, particularly those who operate on a sub-contract basis.

Two key actions would significantly improve the ability to meet the future skills needs. The first would be to include more vocational training in the basic school curriculum, allied with a change in attitude by teachers that vocational training is second best.

The second to make work-related learning easy to access and free of funding problems and increase the provision of publicly funded training for the sector.

The most significant skills gaps identified (both current and emerging) in the Welsh sector are in customer service, basic IT and communication. There is a strong immediate need for disability awareness and health and safety.

The primary skills requirements for the sector are those relating to driving, and an increase in trained drivers would improve recruitment problems. More driving instructors will be needed in the future.

8.11.1 Sector Priorities

- Raising the awareness of the public as to the benefits of vocational training. Not only to encourage people to take it up but to also raise the perception of the value of training.
- Vocation skills are of primary importance to the sector. Currently the sector is focusing on NVQ Level 2, however there are some issues about progression once this has been achieved.

8.12 Improve - Covering: Food and Drink manufacturing and processing.

Key skills issues:

- The Food and Drink (including Tobacco) industry has one of the most poorly qualified workforces in the UK. 19% of the Improve sector workforce has no qualifications. This compares to a much smaller 11% of the total UK workforce without any qualifications
- Nearly one-third of the food and drink industry workforce has a Level 2 S/NVQ (or equivalent) qualification
- The Improve sector workforce outperforms the whole UK economy in the lower qualification levels (S/NVQ Levels 1, 2) by at least 2%. Although the sector underachieves at the higher qualification levels of S/NVQ 3, 4 and 5 when compared to the nation as a whole
- Nearly half (47%) of all jobs within the Management and Senior Officials category possess an S/NVQ Level 4 or 5 (or equivalent). This compares favourably with the UK average of 41%.
- A third of process operatives have no qualifications at all

There is a large proportion of SMEs (94%) and Micro businesses (63%) in the sector which highlights the need to look into the specific training and development requirements of this group, which is different from large, established and well-resourced companies.

In Wales there is a shortfall in the following skills:

- Profession/technician skills
- Food hygiene and technology generally
- IT skills for production

Of reported vacancies, just under a half were identified to be in the Process, Plant and Machine Operative occupational group, this compares with just over a tenth identified in this occupational group in the whole economy. Skilled trades occupations and elementary occupations also account for a significant proportion of reported SSVs.

- Important skills gaps are in communication, teamwork and customer handling. Other sources identify problem solving, management, IT and technical/ practical skills.
- The causes of skills gaps are primarily due to staff being recently recruited or having a lack of experience (67% employers with skills gap), and failure to train and develop staff (33%) and staff lacking motivation (32%). The introduction of new working practices also plays a part.
- The Improve sector workforce is 'ageing'. The profile continues to move towards an older workforce (35 years+). This has implications for replacement demand due to retirement and mortality. 35% of employers are concerned about an ageing workforce. Nearly two-thirds of employees are over the age of 35 years and significantly, around a third of workers are over the age of 45 years
- All sectors are heavily regulated and regulations have increased. This is attributed to the various food scares experienced in the UK. Health and safety regulations impacts on company procedure and skills expected from employees.

Looking to the future, employers in the sector in Wales expect to need slightly higher levels of leadership, management and team working skills in three years.

8.12.1 Sector Priorities

- SMEs have specialised training and development needs primarily due to resource limitations. Their lean structure leads to external and internal drivers of change having a proportionally larger impact on this enterprise group.

- Evidence shows that there is a need to review and rationalise the existing programmes and standards. A demand-led approach will help develop more relevant and responsive training packages that will contribute to uplifting the quality of the workforce.

8.13 Lantra: Covering - Environment and land-based industries.

The key skills issues are:

- Shortage of craft and intermediate skills
- Management and leadership skills
- Transferable skills such as literacy, numeracy, communication and problem solving
- The number of jobs requiring ICT skills is on the increase.

Given this picture the trends in the skills mix over the next 5-10 years will show:

- Increasing need for multi skilled workforce to cope with increasing diversification in the sector
- Increasing need to develop management skills to support diversification
- Increasing management skills to deal with increasing use of contractors and part time and migrant workers
- Increasing need for marketing and sales skills to promote the value added products produced from diversified businesses
- Need for continual up dating re technological advancements to ensure that businesses can compete in a global economy
- The need to understand consumers' requirements to develop products which meet ever increasing public expectations around quality, traceability and consistency.
- The skills to maximise potential from latent local markets
- Increasing skills levels in rural and urban environmental management to make best use of land and other social capital
- To maximise access to development opportunities the sector workforce needs to develop sound basic ICT skills
- Increasing skills required to enable managers to properly reflect health and safety issues in their businesses.

Whilst the learning provision for certain industries is excellent in certain geographical areas and certain industries there is room for improvement. This includes:

- The needs of the micro businesses with the need for easily accessible, unitised or bite-sized learning provision tailored to the needs of the specific industries.
- The need to have learning provision available in a multitude of delivery mechanisms including on line and work-based provision.

8.14 Lifelong Learning UK - Covering Community based learning and development, further education, higher education, library and information services, work-based learning.

Sector Priorities

- Basic Skills - work with the Basic Skills Agency, ELWa and HEFCW to contribute to the development of qualified basic skills practitioners
- Welsh language - support Welsh language development, including the delivery of learning through the medium of the Welsh language and tackling the shortage of skilled bi-lingual practitioners, trainers and assessors.
- Work Based Learning - develop and facilitate programmes to improve the quality of learning support in work-based learning.
- Developing a strategic approach to staff development in the sector
- Embedding enterprise and entrepreneurial skills in the sector

8.15 People 1st Covering Hospitality, leisure, travel and tourism.

- The type of skills lacking revolve around generic skills like communication, showing initiative and the ability to learn.
- The key challenge for the sector is that it is struggling to attract a sufficient number of new entrants to fill vacancies across the sector. The type of people it is attracting do not often have sufficient skills. Given the extent of the recruitment problems, employers often recruit new entrants without the necessary skills, thereby exacerbating the current skills gaps.
- Increased technology will also continue to change the way sector businesses operate. These include more online marketing and promotion, booking over the web, and increased visual technology such as those in conference facilities.

- New food safety legislation due in January 2005 may prove difficult for many businesses that currently comply with existing legislation.
- The enlarged EU continues to be a major pool for labour. According to Home Office figures, between May and December 2004, some 33,830 have entered the sector – representing 28% of all new entrants into the economy. This is expected to continue.

The affect of these factors will impact in two main areas. The first centers around basic, key and generic skills.

The second area is in managerial skills. There is no evidence that the current recruitment problems are going to go away. This will mean that we will still lack a sufficient number of staff to meet the sector's needs. Not enough employers are training their staff. Only 43% of employers are training their staff, and 17% of the workforce does not hold any qualifications.

Vocational education needs to meet the business needs of the sector. If it does not it fails both the employer, and the candidate as they working hard on a programme that is neither recognised by employers, nor provides them with a skills and knowledge base to fulfill their job role.

8.15.1 Sector Priorities

- Like most sectors, the hospitality, leisure, travel and tourism sector workforce is lacking many transferable skills, and it is this rather than specific occupational skills that need addressing.
- The exception to this is chef skills, which continue to be a major problem – particularly for the fine dining sector.

8.16 Proskills: Covering - Process and manufacturing of extractives, coatings, refractories, building products, paper and print

The sector employs 454,000 people across the UK, 4% of these are in Wales. The sector is characterised by a low qualification base. Fewer proportions of individuals in the sector have received training than across the UK as a whole.

90% of employing businesses in the sector across the UK have less than 25 employees.

The main areas of deficiencies are technical and practical skills, communication skills, customer handling skills, team working skills and problem solving skills. Basic literacy and numeracy skills are still critical for the sector.

Different occupational groups have different skills deficiencies. Skills areas that are in deficiency tend to be central to the performance of the job, they are not peripheral. For example the skills most often lacking in managers and senior officers are management skills (77%) whilst those most in shortage in skilled trade staff are technical and practical skills (62%). However the issue regarding lack of product knowledge is almost exclusively located in administrative staff with some 38% of all employers noting this for this occupational group. Also as we drop down the occupational scale into less skilled jobs (machine operatives, elementary staff) team working and communication become more important.

Support for numeracy and literacy continue to be of critical importance. The skills gaps in the areas of communications, team working, problem solving, technical and practical skills, literacy and numeracy will need to be addressed.

The skills needs of SMEs need to be addressed. These employers need greater support to develop their employees. In the past many SMEs have benefited from group training schemes. Management development should be made appropriate for SMEs.

Many employers feel that publicly funded training schemes develop people in the skills that are not appropriate to the sector. There is a need to win over employers through investing in public-driven schemes that they want and can support.

8.16.1 Sector Priorities

- Management and Supervisory skills, particular product/technology skills, electro mechanical skills and basic skills.

- Increase the interest of employers in the sector in Wales in investing in skills
- ‘Brokerage’ model, signposting and enabling employers to understand the training opportunities for the sector in Wales
- Expand and promote MAs in Wales.

8.17 SEMTA - Covering: Science, engineering and manufacturing technologies.

- Operators account for 37% of the sector workforce in Wales, followed by craft and operator levels who account for almost half of total employment
- The third biggest group is technicians, representing 14%.
- Male workers account for nearly 80% of all employees at the establishments surveyed.
- The majority of female workers are found in operator/assembler, or administrative and clerical roles.
- Far more technical roles are staffed by male workers, especially in the Electronics sector.
- 2% of the workforce in Wales is from an ethnic minority, compared with 5% in Great Britain.
- Welsh firms are less likely to recruit young people (aged 16-24) and older workers (45+).
- Welsh firms also take on fewer graduate engineers - just 1 in 10 companies compared with 1 in 4 in GB.
- Only 11% of Welsh firms had hard-to-fill vacancies compared with 25% of establishments in GB.
- Fewer than 10% of the Welsh establishments surveyed felt that there was skills gap within their workforce (compared with 17% GB average).

Training

- Establishments in Wales are twice as likely as those in GB to have an apprentice or recognised trainee gaining an NVQ.
- Welsh establishments are also more likely to employ apprentices as technicians or operators and assemblers.
- 69% of establishments in Wales arranged both on and off-the-job training for their employees. This compares with 50% in the rest of GB.
- 62% of establishments in Wales arranged both types of training for their apprentices.

- The occupational groups that receive the most on or off-the-job training are managers (43%) and operators or assemblers (56%).
- Of those receiving training, professional engineers and supervisors are the most likely to receive both types of training (83% trained in the past 12 months).
- The three main barriers to training are the cost of training in the local area, the cost implications of staff taking time off for training and a general lack of time for training.
- A high proportion (45%) of Welsh establishments had at least one employee gaining an NVQ in the last 12 months; this compares with just 22% in GB.

Industry Challenges

- Length and cost of engineering training
- Poor / limited facilities for engineering training
- Engaging SMEs in training
- Developing the current workforce
- Securing adequate provision

8.17.1 Sector Priorities

- National rates of funding to reflect the true costs of training
- Increased number of apprenticeships at all levels with a focus on gender and ethnicity
- Provision of up to date training that meets the needs and requirements of different employers
- Flexible training across all sub sectors at Level 3

8.18 Skills Active Covering: Active leisure and learning.

Skills deficiencies and gaps for the sector include:

- Basic Skills, training up to Level 1 would have the greatest impact
- Communication skills
- Generic skills
- Retaining skilled and attracting Welsh speakers in the Gwynedd area
- Management and Leadership training would have greatest impact at Level 4

Sector Issues – Legislation within the sector will increase the demand for courses and qualifications. Initiatives such as the Koch Certificate and the Register of

Exercise Instructors aim to improve the quality of coaches and exercise instructors, this in turn will potentially increase the demand for acquiring qualifications.

There are a number of key developments in the sector that will influence skill requirements including:

- Cardiff International Sports Village, a multi-million pound project that will provide attractive jobs. There are cross-sector links to retail, hospitality and tourism.
- Ryder Cup 2010 – hosted by the Celtic Manor, South Wales, will attract golfers into the UK. This will increase the demand for people with appropriate skills and experience. There are cross sector links to People1st.

The Supply of Skills

- Currently the supply of provision is not meeting employers' demands. Colleges are putting on the courses that will fill seats and not to meet employer requirements. FE needs to engage with employers at a local level to identify need and then address them through delivery of appropriate provision.
- The impact of addressing these issues would improve employment prospects and so contribute to growth in the sector.
- Need more vocationally driven education and training, such as Novas and Modern Apprenticeships. There are also opportunities through the Welsh Baccalaureate and 14-19.
- Supply needs to consider certain initiatives that will raise demand. Initiatives such as the Register of Exercise Instructor and the UK Coach Certificate (UKCC has core requirements of Health and Safety, Child Protection and First Aid) will increase demand for various related qualifications in a variety of sports.
- Availability and flexibility of funding should be common throughout the UK. This would ensure the right level of support to fund and deliver UK wide initiatives.

8.18.1 Sector Priorities

- Ensuring that supply meets demand
- Individual sector development in response to legislation, e.g. changes to qualifications in response to initiatives.
- Access to training for employers

8.19 Skillfast UK: Covering - Apparel, footwear and textile industry

There is a wide range of deficiencies in the form of both skills shortages and skills gaps:

- Technical skills – including textile technologists, garment technologists, engineering/maintenance staff, designers, IT specialists, laboratory technicians, sales representatives
- Skilled trades – including knitters, pattern cutters, weavers and spinners
- Operatives – including sewing machinists, textile operatives
- Managers – supply chain management, production management, quality management, personnel and leadership
- Designers – linked technical skills including garment cutting; plus commercial skills
- Administrative staff – general IT skills
- Operatives – machine operator skills (e.g. sample machinists), multi-skilling, team working
- Sales staff – customer handling, sales
- Basic skills: particularly impacting on those working in operative occupations and other elementary occupations (Apparel Footwear and Textiles has greatest proportion of workers without qualifications of any sector)

The most pressing issue, as identified by 50 per cent of employers in Wales, is a lack of availability of relevant technical training. There is limited availability of learning provision in Wales to meet the specific needs of the sector and this acts as a significant constraint upon the level of take-up by companies.

The internal structures of colleges militate against the delivery of a responsive service to employers. Typically, there is a separation between the relevant subject department, the fashion/textile department for example, and the college's business development unit. This arrangement extends and complicates the process of sourcing appropriate provision and acts as a barrier to employer engagement.

Employers in Wales are known to source learning provision from institutions located in established clothing and textile areas in England, such as Huddersfield, in the expectation that they will receive a more rapid and appropriate response. It is estimated that the volume of provision sourced by the sector from outside Wales is almost equivalent to that procured internally.

Many employers believe that their in-house training programmes are more effective than externally sourced provision. This is particularly the case for small companies operating in niche markets where highly specific skills are required. Employers believe there is a need for less bureaucratic NVQ assessment system and for the qualifications to be more representative of job roles. However, a reliance on in-house provision perpetuates bad habits and provides little scope for the development of the new skills mix that businesses in the sector increasingly require to compete in the global market.

The following changes are required if education and training are to meet the needs of the sector in Wales:

- Address the shortage of training provision in respect of technical, craft and operative disciplines.
- Increase the technical content of Fashion Design HNC courses (as well as HND and degree courses) to meet industry needs.
- Create centre(s) of excellence in technical provision; this could involve the setting up of collaborative arrangements among employers
- Strengthen the sector's assessor/verifier infrastructure in order to boost qualification take-up
- Increase the availability of short courses (roll-on, roll-off)
- Increase the emphasis on flexible open/distance learning to support dispersed market for technical skills (under-pinning knowledge)
- Make provision for inclusion of company-specific and vendor qualifications within the qualifications framework
- Increase the availability of generic provision that is contextualised to the needs of the sector (e.g. in basic skills).

An increase in the supply of sector-relevant technical and commercial skills at Level 3 and above would have the greatest impact on the productivity and competitiveness of the sector.

8.19.1 Sector Priorities

- Support arrangements to help sector businesses to see workforce development in the context of an overall strategic business plan. Employers need to link their

investment in skills with key business drivers and issues if they are to respond to the challenge of the global market.

- Support the development and funding of relevant technical provision, as the lack of this is a key problem for the sector.
- Assist in the development of opportunities for 14-19 year olds to engage with the sector in order to promote a positive image of the sector and enhance the work-readiness of young people.

8.20 Skillset: Covering - Broadcast, film, video, interactive media and photo imaging

The Welsh audiovisual sector is characterised by a high concentration of micro and small businesses requiring businesses to employ individuals with a broad range of business skills in addition to the creative and technical skills. A major problem in the industry is the lack of knowledge that companies have in respect of general business awareness and management skills, particularly in the awareness of understanding Intellectual Property Rights.

The main skills issues in Wales mirror those at a national UK perspective. The most prominent are:

- Business Development and Management
- Freelancers
- Recognised Standards in Training

The vast range of HE and FE audio visual courses available in Wales has led to a current over supply of graduates seeking a point of entry into the industry. Industry believes that HE and FE should concentrate on developing inherent basic needs of the industry and move away from industry/company specific skills and education of the technical workings of specialist computer software packages.

There is a need to develop training courses that continually educate and train individuals (CPD). Future training initiatives need to follow a short course, industry accredited format and use industry standards, minimizing the time employees spend away from the workplace

8.20.1 Sector Priorities

- Once frameworks in the sector are developed to support a pilot with trainees
- Support the “Academy” concept with the Academy applying for master Classes in Business Support.
- Pilot Work Force Learning Accounts
- Support Freelancers with CPD and IPR

8.21 Skills for Care and Development: Covering - Social care including children, families and young people

There has been a 16% increase in size of workforce over last 5 years and the sector is growing at 2.5 to 3% per annum. Most care workers are women between 26 and 55 working part time. A quarter of all staff aged 50+ however the proportion of younger people entering the workforce in social care has been rising. Regulation of skills in the sector is raising standards and underpinning the development of the workforce.

Over next 3 years an increase of 20% is required in skills mainly amongst SMEs. Recruitment, retention and progression of the workforce will be key. There is a need to develop a process to review Qualifications Framework for Social Care Sector – currently qualifications are funded that are not recognised as being relevant to the sector. There is a need to develop MSDA Level 4 framework as well as a process to deal with qualification development, review and alignment issues. The sector requires more general skills required include interpersonal skills, verbal & physical communication skills, physical fitness for lifting and handling.

There is an urgent need to upskill childminders and play leaders – new legislation requires that playleaders and senior staff require a Level 3 in playwork by April 2008 and 50% of others in the sector require Level 2. All child minders need to be qualified to Level 3 within 5 years of registration.

In addition there is need to develop sufficient assessors, verifiers, and mentors to support work based learning and assessment.

The Supply of Skills

- The work based learning routes are not sufficient for the sector - MA/FMAs are in the main biased to health care and not social care with the frameworks not working for the sector. There is a need therefore to develop new frameworks. There are issues with key skills and technical skills. There is no MSDA framework at present.
- Employers in the early years sector (especially those in the voluntary and public sector) are unable to support trainees in the workplace.
- The most desirable vocational qualification is NVQ Level 2. Preparatory skills include basic skills numeracy, literacy and IT, key skills in communications, vocational certificates in social care eg foundation GNVQ and organisational and team working certificates.
- Management Skills at Level 4 are a requirement for Care Home owner/managers.
- Current new legislation for the sector is the main driver for change however there is a funding issue as it is often perceived that NVQ Level 2 is a legislative minimum requirement but in fact this is a national minimum standard for training with target levels set.
- Develop appropriate frameworks and funding methodologies to support the high level of trainees that will be required in the early years sector – this covers all areas of training from entry level (FMAs) up to Level 3 which is the new standard required for play workers.

8.21.1 Sector Priorities:

- Develop new NOS and frameworks
- Develop sufficient work based assessors, verifiers and mentors
- Sector specific Individual Learning Accounts and Workforce Learning Accounts
- Approx. 17% of sector are bi-lingual with provision of adequate welsh medium training and assessing being patchy ie good in Gwynedd and Ynys Mon poor in South East.
- Support for Level 3 training across the sector including playwork, childminders and social work.

8.22 Skills for Health: Covering - Health including independent and voluntary sectors

The skills issues in this sector are complex. It is the largest employer in Europe. There has been a historical lack of investment in workforce without professional qualifications, this is now beginning to be addressed but there is still a long way to go. In addition there are major shifts in policy across the sector, including diversity of care provision – away from hospitals – closer to patients/communities – more provision through independent/voluntary sectors and new ITCs. These changes are all increasing demand for skills and new ways of working and learning.

There is an increased need for upskilling the support workforce/those without professional qualifications to take on more work of professionals and improve productivity.

8.22.1 Sector Priorities:

- Development and support of generic skills including; IT, leadership, team working, management, partnership working, customer focus, managing diversity, communication and basic skills
- Increase emphasis on Level 3 and 4 skills to underpin new roles/increased productivity – whilst maintaining focus on skills for life and Level 2
- Widen access and participation
- Develop new specialised diplomas

8.23 Skills for Logistics: Covering - Freight logistics industry

The recently introduced Road Transport Directive which limits the amount of time drivers can work is likely to impact further on the LGV driver shortage, which is around 400 in Wales currently and is forecast to grow to around 1600 by the end of 05/06 financial year.

8.23.1 Sector Priorities

The new apprentice frameworks Carrying and Delivering Goods, Traffic Office (TO), Storage and Warehousing (S and W) together with the long established Driving Goods Vehicles are likely to be very popular and have received a great deal of positive publicity. Demand is especially high for Traffic Office (often at L3) and would

anticipate a significant take up of Carrying and Delivering Goods as it offers an apprenticeship route into the sector to those who might not previously have had one available to them, namely drivers of light goods vehicles where the LGV age restrictions do not apply. L2 S and W and TO also offer routes into the sector for younger people.

Skills for Logistics are currently developing an 'Experience Booster' for those entering the industry for the first time. The Experience Booster is essentially a generic training programme giving a 4 – 6 week introduction to the industry which can be adapted for the circumstances in which it is deployed (eg apprenticeships, JC+ programmes etc). Employers have often cited new employees 'lack of knowledge' about the sector as detrimental.

To promote and deliver the increased range of frameworks that are now available it will be necessary to see significant investment in both the capacity and capability of Welsh logistics training providers. Though much of this investment will and should come from within the training supply sector itself, judicious, targeted investment by ELWa to facilitate the process of empowering providers to improve the quality of their provision (driving instructors, assessors and verifiers, skills for life support coaches) is essential. In a bid to raise the total capacity of training supply, particular emphasis should be put on training coaches and assessors in the workplace as well as investing in the development of training provider employees.

The sector is developing a project with JC+ to bring people into the sector, and bearing in mind issues raised in 3 above would wish to see a structured recruitment, selection and development programme the outcome of which would be a L2 NVQ in addition to the LGV licence. As JC+ funding is not sufficient to meet the total cost of licence acquisition training for this project as well as costs associated with NVQ training and assessment, ELWa will need fund the NVQ element of the programme – this is estimated to be up to 50 NVQ L2s via this route in the coming year.

8.24 Skills for Justice: Covering - Custodial care, community justice and police

Main issues driving changing skills needs: Widespread change and reform of the sector and new legislation is resulting in a requirement for new skills; technical

knowledge and new ways of working; accountability particularly in enforcement and policing; multi agency working and partnership delivery of justice, health and care.

Largest demand for sector will be on qualifications and accreditation at Level 3 and above.

8.24.1 Priorities:

- Focus funding on Level 3 and above
- Focus funding on training and qualifications where partnership and multi agency working and community focused skills are required
- Effective and sustainable links between central funding, HE/FE and SSCs to get best value from investment (Partnership)
- Getting the appropriate links between vocational and academic learning – there is a need for vocational accreditation but blended with and linked with academic recognition.

8.25 Skillsmart: Covering - Retail

There are around 14,000 retail establishments in Wales and the retail sector employs 12% of all employment.

The skills profile of the existing workforce is not adequate to meet the needs of retail businesses. 30% of retailers indicated that advanced skills were required in understanding customer needs. Customer services, was the only competence area forecast to increase significantly in the future with 39% of respondents citing this as an area where more advanced skills levels were required. There is a shortage of people qualified at Levels 2 and 3 working in retail operations as well as a need to improve the skills levels of middle managers working in retail at Levels 4 and 5.

There will be no major shifts in the skills needs for people working in the retail sector, although keeping up to date with developments in ICT will be increasingly important. The key skill areas of customer service and management and leadership will continue to be major areas of need over the next 5 years in order to deliver a better qualified and more highly motivated workforce.

The principal demand will continue to be for Level 2 qualifications for the existing workforce and for expansion of the number of entry-level jobs in the sector.

Given the likely expansion in retail and low unemployment rates, there may be a high proportion of people with basic skills needs moving into retail jobs.

Some large retailers are considering the introduction of Modern Apprenticeships into the workplace if the funding arrangements can be agreed – Tesco is currently rolling out a programme across England. There is a need for more bite-sized qualifications, particularly for smaller retailers.

8.25.1 Sector Priorities

- Recognition of the scale of retail in Wales and its contribution to the economy
- Creating a demand-led system of funding and provision
- Creating a fair and equitable funding model, which supports the needs of individuals and employers.
- The priority for retail would be at Levels 2 and 3, with an emphasis on vocational qualifications

8.26 SummitSkills: Covering - Building Services engineering - Electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing industries

There are insufficient operatives qualified at Level 3 in this sector. There is a great number of operatives within the current workforce who stopped training at Level 2 resulting in a skills gap in the sector. Management and leadership qualifications are virtually non-existent in the sector as are qualifications at Level 4 and beyond.

As technology increases in alignment with environmental sustainability and Health and Safety legislation the skills required of those in the sector simultaneously rise not only on the technical front but from a basic skill requirement as well.

To achieve the demand from the sector for Level 3 operatives those individuals currently working within the sector need to be encouraged to up skill themselves on all fronts but as over 80% of the sector are micro-businesses unless this process is incentivised then this is going to be very difficult to achieve.

Individuals will have to be multiskilled to tackle jobs, contracts are won on best price, the more an individual can do the more productive to the firm that person will be. In reality Level 3 will be the absolute minimum qualification that an individual will hold, they will have to receive additional training i.e. bolt on courses to keep up with the needs of industry and the factors that drive the economy as we compete on a global market.

8.26.1 Sector Priorities

- There is a need to refocus funding in the sector away from the high number of technical certificate Level 2 students toward Level 3. In Wales there are a few thousand students on technical certificated unable to get employment and the parents and students are becoming aware that it is very difficult to get a job in the sector and they will look else where.
- The funding for the Modern Apprenticeship in Wales for the BSE framework is approximately £5,000 less than in England, the industry training providers who offer the MA program to employers are currently losing money by operating in Wales. Unless this system is changed then the number of MA will go down if they stop trading in Wales. If the money spent on the Level 2 Technical certificate was redirected it would make a difference.
- Focus on Level 3 qualifications:

Occupation	Number Anticipated to achieve MA Level 2 in 2005	Approximate Number required for 2005
Plumbing	159	400
Electrotechnical	68	400
HVCA	31	150

- Manufactures training such as vendor qualifications are the real drivers of change and manufacturers deliver around 25% of all training in our sector. They estimate that around £21 million is lost due to poor quality workmanship and badly fitted appliances which can be attributed to a lack of training hence the investment here.

8.27 Habia: Covering - hair and beauty, encompassing African-Caribbean hairdressing, barbering, beauty therapy, hairdressing, nail services and spa therapy.

There are 1860 hairdressing businesses and 411 beauty salons and consultants listed in the Experian database in Wales, employing approx 8700 people. There are an unknown number of freelance self-employed operators. Over 85% of the hairdressing workforce is female and 99% of the beauty therapy workforce. Industry turnover in Wales is approx £287 million.

Skill Gaps

- Most hairdressers are qualified at Level 2 NVQ in Hairdressing. However, the new Level 3 NVQ now covers the skills needed by all stylists to meet client and employment demands. The latest WBL data for Quarter 1 and 2 in 2004-05 showed only 40 Modern Apprenticeship/Level 3 completers in the six-month period to 31 Jan 2005.
- Employers report that basic skills in literacy and numeracy are lacking in some workers and this can cause problems in reading product manufacturer's instructions.
- Communication skills need to be improved to support client care and retailing of products
- Employers in Wales continue to report a lack of suitable staff applying for vacancies, despite the numbers being trained.

Of these the key issues are:

- Lack of progression to Level 3 hairdressing
- Low completion and retention rates affecting supply of commercially viable new recruits
- Poor communication and client care skills

Learning providers are aware of the needs of the labour market but current funding focus and programme content are not suitable.

Many people are being trained in hair and beauty but employers are finding that, apart from the work based learners they employ in their salons, they cannot employ many of them. Learning provision especially for trainee status students must become better aligned with employment requirements.

There is a need to focus on

- quality of delivery;
- appropriate recruitment based on informed choice and accurate, well managed advice and guidance
- progression to completion of Level 3 programmes eg by support for an improver period in the transition.
- collaborative approaches to delivery and assessment of (new) specialist areas
- funding full time education programmes to deliver 35 hours training per week.

There is a need to stimulate take up and completion of Level 3 NVQ in Hairdressing. This is difficult because of the extra burden of the technical certificate in the MA and once Level 2 has been achieved, individuals and their employers are keen to start earning using the basic skills that have been learnt.

8.27.1 Sector Priorities

- Review funding band of hair and beauty to reflect costs incurred and insufficient number of weeks allocated for delivery of high quality programmes.
- Achieve a better balance between Level 2 provision and progression to completion of Level 3 in hairdressing. This would be helped by removing the technical certificate, which provides no added value to the MA.
- Make available flexible funding to support workforce development needs (as opposed to mainly new entrants), including basic skills support, communication/client care training, training to meet new legislative requirements and management/leadership training.
- Review the proportions of employed status (work based learning) and trainee status (usually Local Authority or college based) learning provision and the numbers who complete their learning programmes and successfully gain employment in the sector, against the numbers of salons, the numbers leaving the sector and the realistic potential for new businesses.

8.28 Voluntary Sector

This sector has identified a number of generic skills gaps including IT skills, communications, leadership and showing initiative. Lack of managerial skills in the sector remains a key issue that needs to be addressed.

Overall there is a low take up of NOS and VQs in the sector, as frameworks do not appear to meet the needs and are inappropriate, not accessible, and lack flexibility.

8.28.1 Sector Priorities

- Management Development
- Informal learning funding and support
- Increased numbers of assessors and trainers
- Basic skills and motivational training
- Generic skills
- Focus upon Level 2 up to Level 3

9.0 Improving the Supply of Learning

9.1 Satisfaction of Current Learners

Recent satisfaction surveys into ELWa funded learners indicate that seven in ten FE learners and Work Based learners are extremely or very satisfied with their learning experience and that the same is true of almost eight in ten ACE learners. Indeed, levels of dissatisfaction are very low across all learner types. The overall results are so positive that at first sight it might look as though there is little room for improvement. However it would be wrong, for example, to dismiss the fact as many as 30% of learners are less than very satisfied with their learning experience.

The following table shows the relative importance of each factor in influencing the overall satisfaction rating given by learners. The results are broadly similar for each provision type when looking at the teaching and management factors but vary where support services and facilities are concerned.

Drivers of Satisfaction

	FE	WBL	ACE
	%	%	%
Teachers	37	41	36
Management	31	29	34
Counselling/Childcare Facilities	10	10	6
Making the Right Choice	8		3
Learning Facilities	7		11
Other Facilities	7	3	
Social Facilities		12	10
IT Facilities		6	

The findings of the Satisfaction Surveys undertaken in 2003 and 2004 with learners across Wales were investigated and key issues developed in 2004/2005 through workshops with Sixth Form Schools, FE and Work Based learning providers.

9.2 Raising Quality and Standards

This is one of the key priorities within the current ELWa business plan and actions to be taken are as follows:

- Reinforce providers' responsibility for managing the quality of provision by embedding self-assessment as a key process within all providers
- Introduce a new package of targeted support and monitoring for underperforming providers
- ELWa will not fund provision by 2008 which, post-Estyn inspection, does not have as a minimum grade 3 (acceptable) in all aspects of delivery
- Reward excellence, good practice, innovation as well as tackle inefficiencies and penalise underperformance
- Strengthen ELWa's capacity for managing the quality agenda and
- Address quality deficits in the provider network which hinder progress in raising standards to grade 2 in all aspects of delivery by 2010

9.3 Priorities to improve the Supply of Learning

The workshops concluded that the following are priority areas across the learning sectors that need to be developed to drive up satisfaction levels and improve the quality of learning in Wales:

- Enhanced learner support for all learners
- Promoting parity of esteem across all learning – this is seen as critical if we are to achieve the 14 – 19 policy
- Effective advice and guidance to all sectors
- Marketing that actually informs learners of the options and job potential to support recruitment
- Increased collaboration across all providers
- Increased focus on retention and minimising drop outs and non completions
- Recognising the distance travelled in learning through the accreditation of small chunks of learning
- Improve the quality of teaching via effective and timely learner feedback, enhanced management skills and effective inductions into the topic area and learning style to be used.

10.0 Annex 1: Wales 2005 – Facts and Figures – A Summary

The following tables provide a quick reference guide to the demographic, social and economic condition of Wales and the extent to which it is embracing the learning paradigm.

Demographics

- The population of Wales is 2.94 million and expected to reach 3 million by 2011
- The population is also ageing. By 2011 there will be 37,000 fewer children - a fall of 7%. Over the same period the retirement age population will have increased by 67,000.
- The working age population will grow by 3% (55,000). However there will be some large changes within this group with an increase of 53,000 in the age group 15-29 and a fall of 60,000 in the number of 30-44 year olds.
- The natural component of population change is negative (deaths exceed births) and population increase is being driven by net in-migration
- Between 2003 and 2011, net migration into Wales is estimated at 85,000. Of those who are leaving Wales, the majority are aged 16-24 while most in-migrants are typically aged 45 and over.
- The largest urban areas in Wales are Cardiff (pop. 315,000), Swansea (225,000) and Newport (139,000). They are a magnet to young people and are the only areas not losing young people.
- 68.8% of Welsh residents say they are Welsh and 28.4% of Welsh residents claim to speak Welsh
- 2.6% of the working age population belong to a non-white ethnic group (44,000)

Social Conditions in Wales

- 36% of Welsh households have internet access – the lowest rate of penetration of all UK regions.
- The Welsh Index of Multiple Deprivation indicates that potential deprivation problems are higher than average in Merthyr Tydfil, Blaenau Gwent, Neath Port Talbot, Caerphilly, Rhondda Cynon Taff, Bridgend and Anglesey; and lower than average in Flintshire, Conwy, the Vale of Glamorgan, Denbighshire, Powys and Monmouthshire
- Almost ¼ of the Welsh population have a limiting long term illness or disability. Despite this only 12% of all residents say their health is not good
- Merthyr Tydfil, Neath Port Talbot, Blaenau Gwent, Rhondda Cynon Taf, Caerphilly and Carmarthenshire suffer from the prevalence of limiting long-term illness
- Wales has a high proportion of lone-parent households (9.9% vs 9.3% in England).
- 1 in 4 of the workforce work 45 hours a week or more. Average full-time earnings in Wales are £440 a week. This is well below the UK average of £505, when the effects of London and the South East of England are removed, the pay gap is reduced to £20 per week.

The Economy of Wales

Wales is a £37 billion economy, with 184,000 enterprises and a workforce of 1.3 million people

- At £12,629 Wales has a lower GVA per head than other region of the UK – 79% of the UK average
- Hourly productivity in Wales is around 71% of the EU average and 80% of the UK average
- At 4.7% Wales has virtually the same unemployment rate as the UK. But activity rates and employment rates are both 3 % points lower than the UK
- 1 in 5 (19.6%) working age people in Wales do not want employment compared to 16% in Great Britain
- 156,000 people are self employed – 12% of workforce jobs
- In 2003 - 77,400 Welsh residents were working outside Wales; this was offset by 41,400 people resident outside Wales coming into Wales to work.

The Industrial Structure of Wales

- In 2004 Wales had 448 VAT registered enterprises per 10,000 working age population. This compares with 501 in England¹
- 68% of new registrations survive 3 years (66% England).²
- Since 1990 the share of manufacturing in total Welsh GVA has fallen from 30% to 21% while the service industry's contribution has increased from 57% to 69%.
- Manufacturing now accounts for 14% of employment
- Almost a million people in Wales are now employed in the service economy
- Employment growth has been especially strong in the public sector which now has 88,000 more jobs than 10 years ago
- A booming property market has helped to fuel an increase of 25,000 in the number employed in the construction sector since 1993.
- Despite increasing by 45,000 employees over the decade, the proportion in banking and finance, a high wage industry, remains low at 10%, compared to the British average of 16%.
- A notable feature of the Welsh economy has been its ability to attract investment from overseas. In 2003, there were 312 foreign owned

manufacturing plants in Wales, employing 62,000 people.³

- Tourism and Hospitality are also very important to the economy of Wales; some 85,000 people are employed in tourism-related activities.
- Employment forecasts indicate growth in Wales to 2008 will be at around 0.3% a year and will be concentrated in the service economy - in particular in: wholesale and retail, other business services, health, other services (sewage and refuse disposal, leisure, domestic services).
- Occupational growth is likely to concentrate in those areas relating to health, leisure, sales and service support with particular emphasis on health professionals, care, personal service, health and social welfare associate professionals, leisure and personal service, sales, business and public service associate professionals

Skills and Qualifications

- Some 440,000 adults in Wales (25% of total aged 16-65) in Wales are at entry level or below in literacy and over one half of adults (almost 1 million people) do not have Level 1 numeracy skills. Corresponding proportions from the all-England survey are 16% and 47%¹
- Among the under 50s population poor basic skills are most prevalent among school leavers and young people (16-19)
- At key stage three, half way through secondary school, 35% of 14 year olds fail to attain the expected standard in English and 31% are below the target in maths. ²
- 56% of 16-19 year olds in Wales in 2005 are in full time education compared to 58% in Great Britain
- Almost 8 out of 10 16-18 year olds in Wales are engaged in education or training. However there are still 5,900 young people (5% of total) not in education, training or employment ³
- 42% of those of working age people in Wales in 2005 are qualified to NVQ Level 3 or above compared to 51% in Scotland and 45% in England
- 28% of those in work in Wales in 2005 are qualified to Level 4 and above compared to 30% in England and 35% in Scotland
- 11.8% of the working age population economically active in Wales have no qualifications. The corresponding UK figure is 10.8%
- Forecasts to the end of the decade anticipate substantial growth in the number of professional and associate professional occupation, while the number employed in skilled trades and machine operatives will decline. By far the largest fall will be in the number of people employed in elementary occupations.

Learning in Wales - Formal Learning

- 88% of Welsh 16 – 18 year olds are participating in education, training or work (02/03)¹
- 74% continue in full-time education after compulsory schooling. However the proportion of 16-18 year olds in full-time education has fallen slightly since the beginning of the decade
- There are around 263,000 students enrolled at FE institutions – 43,000 full time and 220,000 part time (02/03)
- Some 53,500 students from Wales attended HE institutions in the UK in ² 2002/03. Almost 90% of these (47,998) were undergraduates and 62 % were studying at Welsh institutions
- There are around 123,000 students studying at HE level in Wales – 69,600 full time, 47,300 part time and 5,700 with the Open University (02/03)

Learning in Wales - Learning and Work

- There were 54,599 ELWa funded Work Based Learners in the financial year to March 2003.
- Almost all of these were in full-time training with many receiving that training in the work place either in full-time employment or with non-employed status.
- Employment is the most important single outcome accounting on average for 40% of all training episode leavers
- Not all learning outcomes are positive; 1 in 3 training episode leavers aged 25-49 and 40% of those aged 50-64 end up unemployed. Self employment is also surprisingly low
- Workforce development is marginally greater in Wales than in England which shows that 16% of employees received work related training in the preceding 4 weeks (15% England)
- Training opportunities are more likely to be offered to / taken up by the better skilled and already qualified employees.

Learning in Wales - Adult Participation in Learning

- In 2003 - 42% of adults in Wales were either currently engaged in learning or had undertaken some sort of learning activity during the previous 3 years.³
- Current participation promotes future participation but intentions decay rapidly over time
- 88% of 17-19-year-olds are current or recent learners. This compares with less than 60% of the rest of the working age population
- The fall in participation is particularly steep for adults aged 55 and over. Only 34% of those aged 55-64, 22% of those aged 65-74 and 9% of those aged 75 and over consider themselves as learners

Why are People Learning in Wales ?

- 61% of learners say that they started learning for personal development

reasons, 51% for work-related reasons and 35% for education/ progression reasons.

- 8% of learners say that they did not choose to participate in learning, but were required to do so by their employer, for professional reasons or as a benefit requirement

Benefits of Learning

- 30% of learners report improvements in self-confidence, 26% believe they have developed as a person, 25% have gained or expect to gain a recognised qualification and 23% have met new people and made new friends.
- Benefits more likely to be reported by men are related to their work. For example, 20% of men have gained or expect to gain a job compared with 13% of women, and 15% of men have been helped/expect to be helped in their current job compared with 12% of women

Barriers to Learning

- 13% of learners say that they are not interested in learning and 16% that they do not feel that anything is preventing them from learning.
- Attitudinal reasons such as feeling too old (20%) or feeling that there is no need to learn anymore (8%) are also identified as main factors, as are work/time pressures (21%), and caring commitments