

Dadansoddi ar gyfer Polisi



Analysis for Policy



Llywodraeth Cymru
Welsh Government

Employer Skills Survey 2024

Wales slide pack



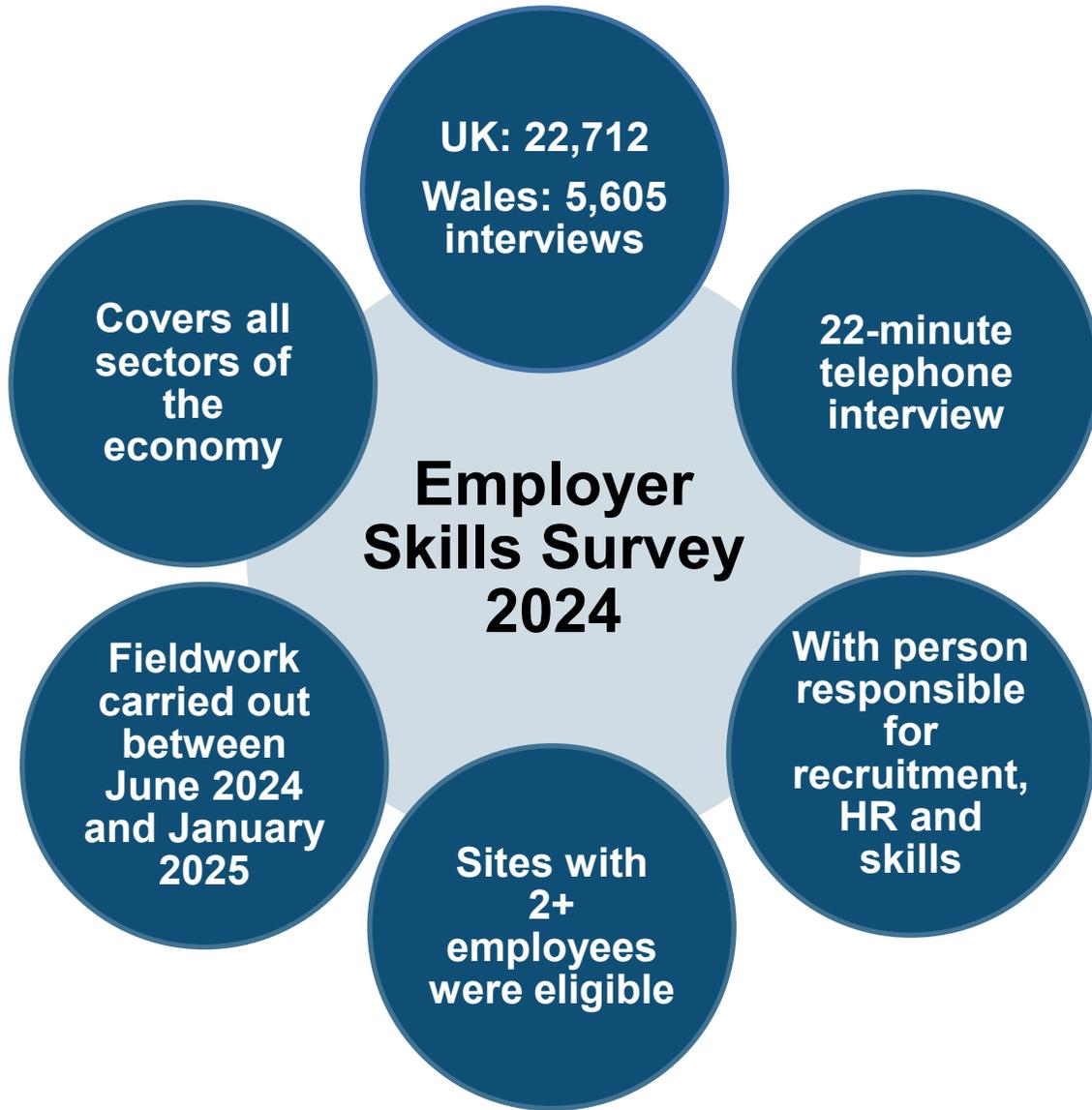
Department
for Education

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IFF Research

Introduction



Slide Pack Information

- The seventh survey in this biennial series
- Includes content which was previously covered in the Employer Perspectives Survey.
- This slide pack focuses on the following areas of the survey:
 - Recruitment and skill-shortage vacancies
 - Skills gaps in the existing workforce
 - Training and workforce development
 - Employer practices: High Performance Working Practices, use of Artificial Intelligence and Net Zero strategies
- This slide pack also includes findings from the Investment in Training follow-up survey, conducted with employers who said they had provided training in the last 12 months during the main ESS.

Methodology

- The population covered by the survey comprised UK employers at the site level (rather than at an organisational level) with at least 2 employees on the payroll. Sole traders with a single person on the payroll were excluded.
- The survey encompassed sites across the whole of the UK, covering all sectors of the economy (the commercial, public and charitable spheres).
- ESS 2024 was the second in the series to use a Random Probability Sampling (RPS) approach, where the sample is processed according to agreed protocols, meaning that sites have an equal and known probability of being sampled.
- Data was collected via Computer-Assisted Telephone Interviewing (CATI). Employers were offered the option to be interviewed in Welsh or English.
- The overall response rate for sites in Wales was 71%, calculated as ‘achieved interviews’ as a proportion of all respondents who were successfully contacted and reached a final outcome (including those who refused, or who quit during the interview). The response rate for Wales was higher than those for the other UK nations, which ranged from 63% to 66%.
- Further detailed technical information is available in the accompanying [Technical Report](#), published on the DfE website.

Reporting conventions

- The terms 'site' and 'employer' are used interchangeably throughout this report to avoid excessive repetition.
- All differences referred to in the report commentary are statistically significant at the 95% level of confidence. This applies to differences between survey subgroups, such as region, size and sector, and also to differences over time.
- Throughout the report unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures. These figures are always based on the number of sites answering a question, as this is the information required to determine statistical reliability.
- In tables, 'zero' is denoted as a dash ('-'); and an asterisk is used ('*') if the figure is larger than zero but less than 0.5%. All volume measures have been rounded to the nearest 100.
- Throughout the slide pack, figures with a base size of fewer than 30 sites are not reported (a double asterisk (**)) is displayed instead), and figures with a base size of 30 to 49 are denoted by a single asterisk (*) next to the data value and should be treated with caution as the margin of error for these results is larger and therefore the results are less statistically reliable.
- Please note that, unless otherwise stated, all figures presented in this slide pack are taken from responses by employers to the ESS 2024 survey and therefore represent their views.

Questionnaire coverage

Large sections of the ESS survey were modularised to ensure that ESS and EPS legacy questions could be covered without adding significantly to interview length. All employers were asked a set of core questions and one modularised set of questions, after being randomly allocated to a module. The survey structure (in order of how questions were asked to employers) is shown below:

- **Vacancies and skill shortage vacancies**
- Recruitment channels (Module C)
- Recruitment of education leavers (Module C)
- Work placements and work inspiration activities (Module B)
- **Workforce composition and skills gaps**
- **Underutilisation (Module A)**
- Upskilling (Module A)
- **Training and workforce development**
- **Investment in Training**
- Vocational qualifications (Module B)
- **Apprenticeships (Module A)**
- National Occupational Standards (Module D)
- **High Performance Working Practices (Module D)**
- **Current and future use of AI**
- **Net Zero**

Only the topics in **bold** are covered in this slide pack

Achieved interviews

By nation	Population	Number of interviews	Module A	Module B	Module C	Module D
Wales	86,800	5,605	1,379	1,446	1,384	1,396
By region	Population	Number of interviews	Module A	Module B	Module C	Module D
North Wales	21,400	1,350	324	350	348	328
Mid Wales	9,700	717	181	180	166	190
South East Wales	36,200	2,310	568	594	553	595
South West Wales	19,400	1,228	306	322	317	283
Mid/South West Wales	29,200	1,945	487	502	483	473
By size (number of employees)	Population	Number of interviews	Module A	Module B	Module C	Module D
2-4	46,800	1,600	364	435	379	422
5-24	31,500	2,790	705	704	711	670
25-49	4,600	686	188	181	172	145
50-99	2,100	355	76	85	87	107
100+	1,700	174	46	41	35	52

All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is less than 2 percentage points at the overall level and typically between 2 and 7 percentage points across the region and size sub-groups.

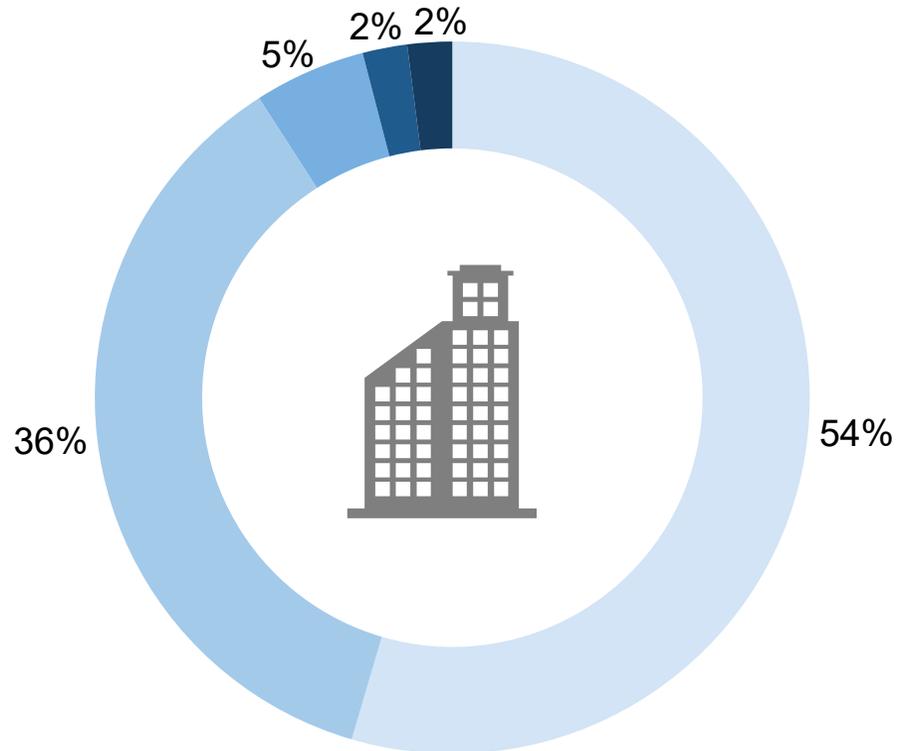
Achieved interviews

By sector	Population	Number of interviews	Module A	Module B	Module C	Module D
Primary Sector & Utilities	9,800	350	84	103	73	90
Manufacturing	4,300	371	100	80	93	98
Construction	8,700	388	93	97	93	105
Wholesale & Retail	16,300	1,116	269	274	292	281
Hotels & Restaurants	9,800	618	154	153	177	134
Transport & Storage	2,600	191	56	43	49	43
Information & Communications	2,000	110	33	30	25	22
Financial Services	1,200	85	14	26	25	20
Business Services	14,600	832	180	234	201	217
Public Administration	1,400	88	29	21	15	23
Education	2,800	379	96	101	88	94
Health & Social work	6,900	693	176	177	164	176
Arts & Other Services	6,300	384	95	107	89	93

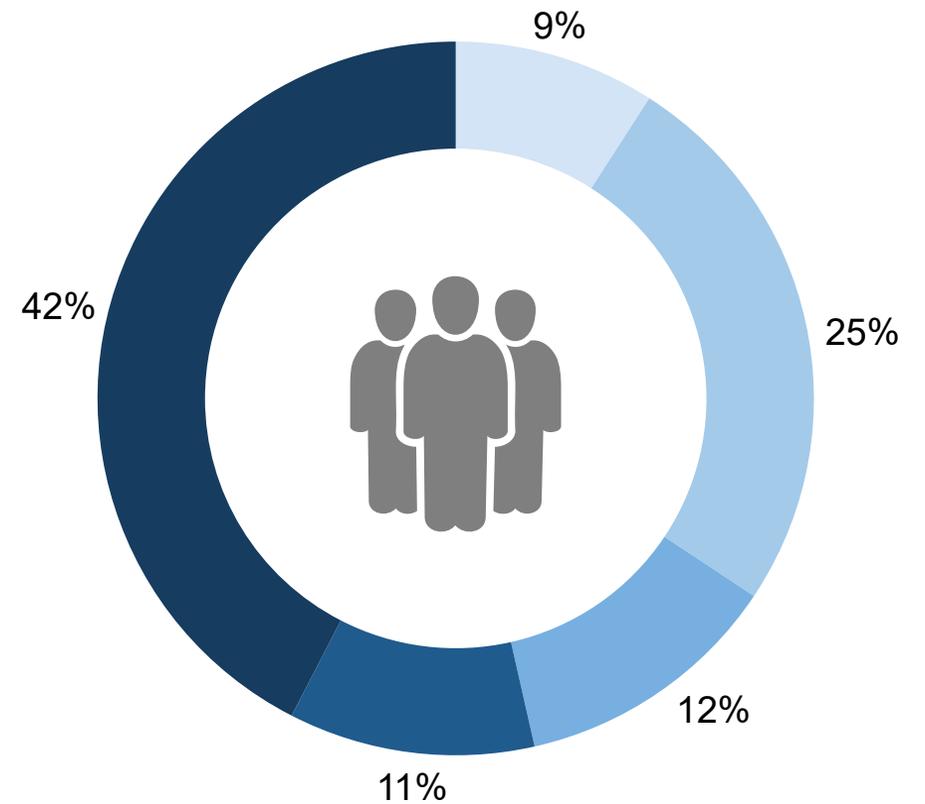
All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is between 3 and 10 percentage points across the sector sub-groups.

Survey population: employer size profile by number of employees

% of all sites

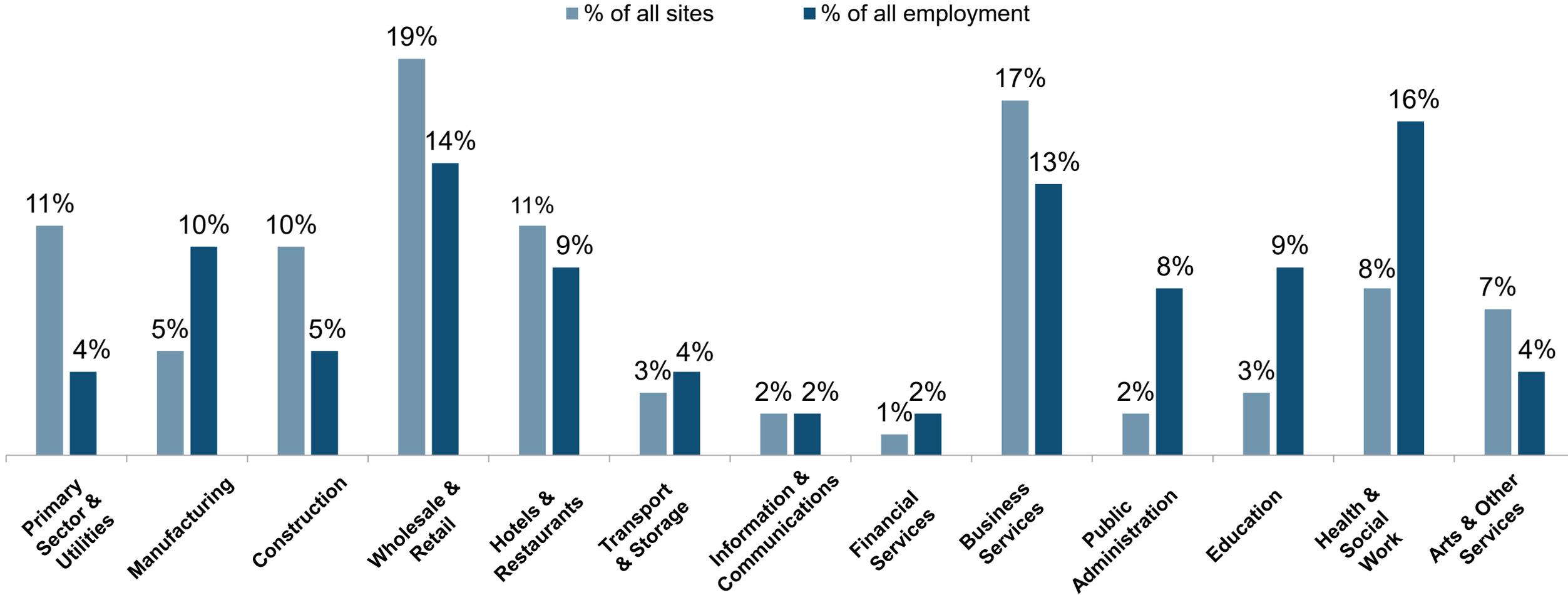


% of workforce



Number of employees: ■ 2 to 4 ■ 5 to 24 ■ 25 to 49 ■ 50 to 99 ■ 100+ employees

Survey population: sector



Key definitions

Site base

Proportions are based on the number of sites, defined here as a single location of an organisation, where at least two people work.

Employment base

Proportions are based on the total number of employees and working proprietors across sites.

Vacancies

Skill-shortage vacancies (SSVs)

Skills gaps

Incidence

Proportion of sites reporting at least one vacancy

Proportion of sites reporting at least one skill-shortage vacancy (i.e. vacancies which are reported to be hard-to-fill because applicants lack relevant skills, qualifications or experience)

Proportion of sites with at least one employee deemed by their employer to be not fully proficient in their role

Density

Vacancies as a proportion of all employment

Skill-shortage vacancies as a proportion of all vacancies

The number of staff reported as not fully proficient as a proportion of all employment

Overview

- After surging in 2022, vacancy levels decreased in 2024, returning to levels seen in 2015 and 2017. The density of skill-shortage vacancies (SSVs) fell from the 2022 high but remained above 2019 levels.
- Skills gaps among the workforce have fallen to their lowest recorded levels since the survey began, but the proportion of employees with skills gaps has not seen the same reduction, suggesting that skills gaps are concentrated among a small number of employers.
- The proportion of employers with at least one employee with qualifications or skills more advanced than required for their role was lower than in 2022. Wales had the highest proportion of underutilised staff of all the UK nations (people that have both skills and qualifications that are more advanced than required to perform the job role they are currently in).
- A notable decline in the proportion of employers providing training was seen in 2022. This was maintained in 2024, where a similar proportion of employers in Wales had provided training to their staff, in line with the other UK nations. This suggests that a lower level of employer engagement in workforce training may be becoming the norm.
- Financial investment in training also fell 6% in real terms compared with 2022. However, employers in Wales had trained a higher proportion of their staff and provided more training days per trainee than the other UK nations.

Recruitment and skill-shortage vacancies (SSVs)

Vacancy incidence and density decreased from 2022, when it was the highest in the series to date

Volume of vacancies

25,500

25,700

36,500

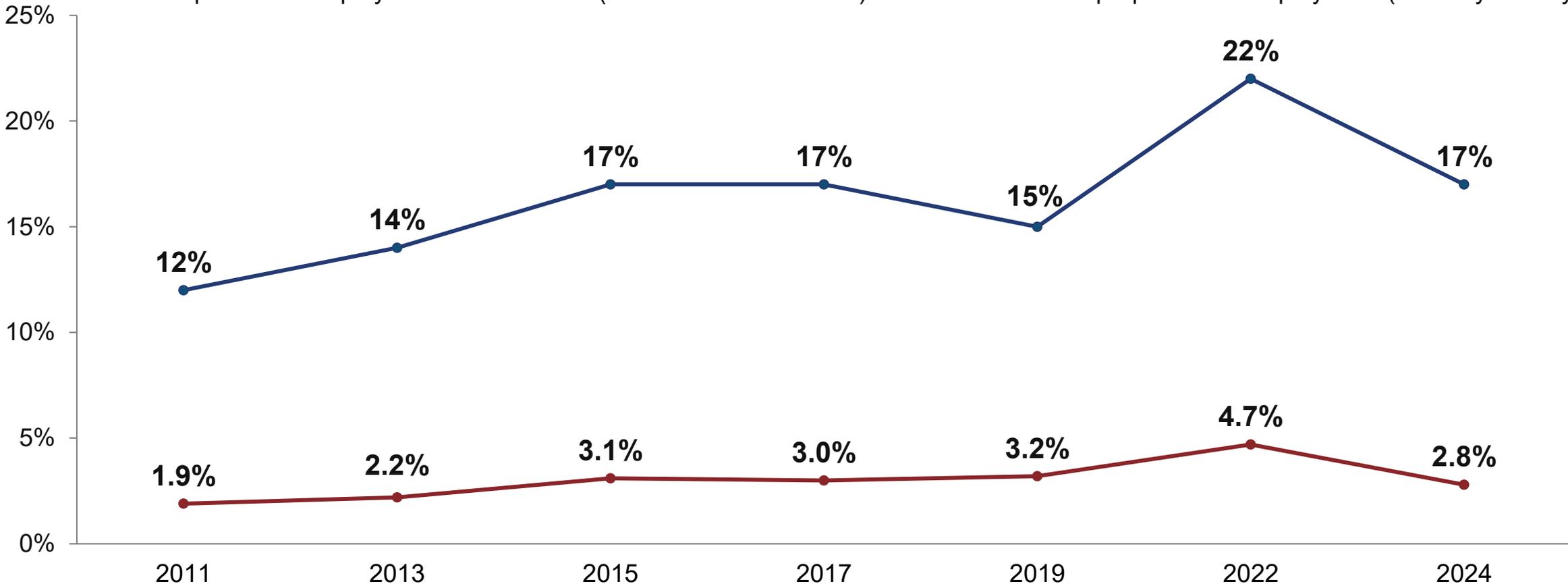
36,400

40,800

58,900

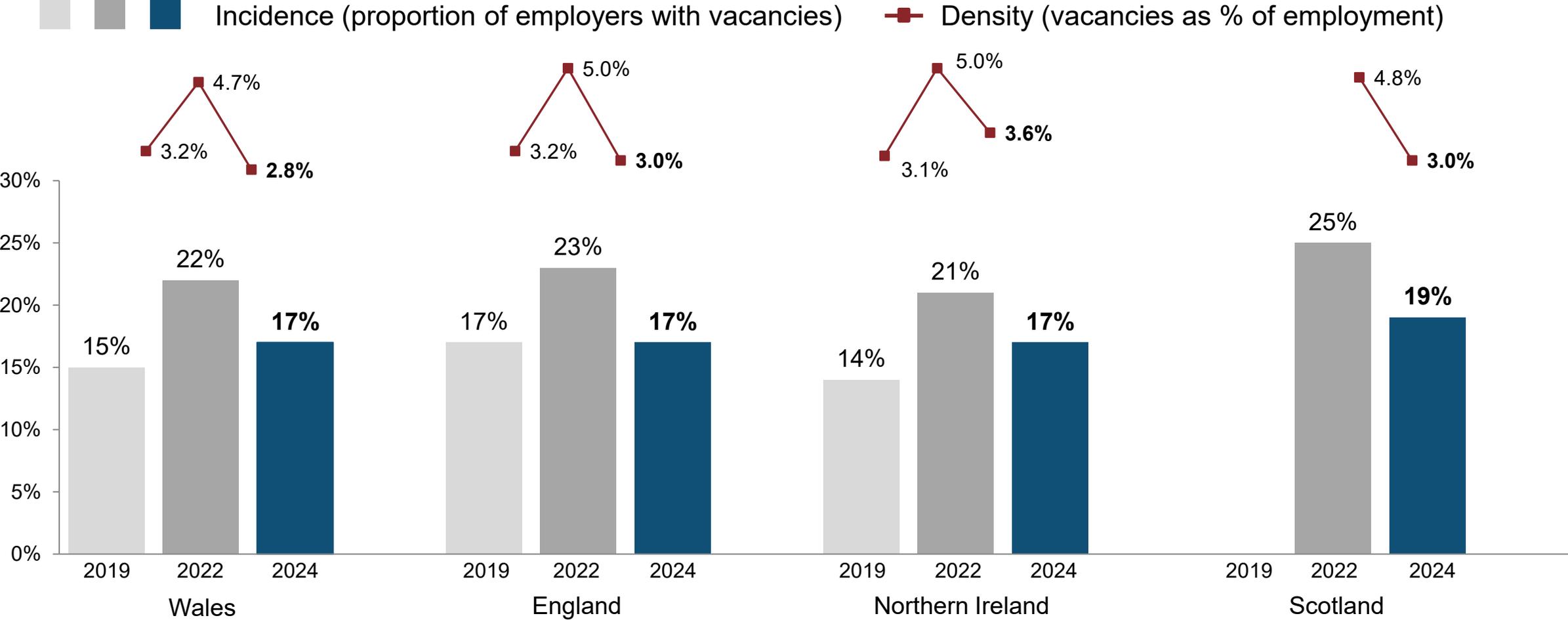
35,700

—●— Proportion of employers with vacancies (incidence of vacancies) —●— Vacancies as a proportion of employment (vacancy density)



Base: All sites (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605)

All UK nations saw a decrease in vacancy incidence and density after a rapid increase in 2022, returning to similar levels to 2019



35,700	798,600	29,900	74,700
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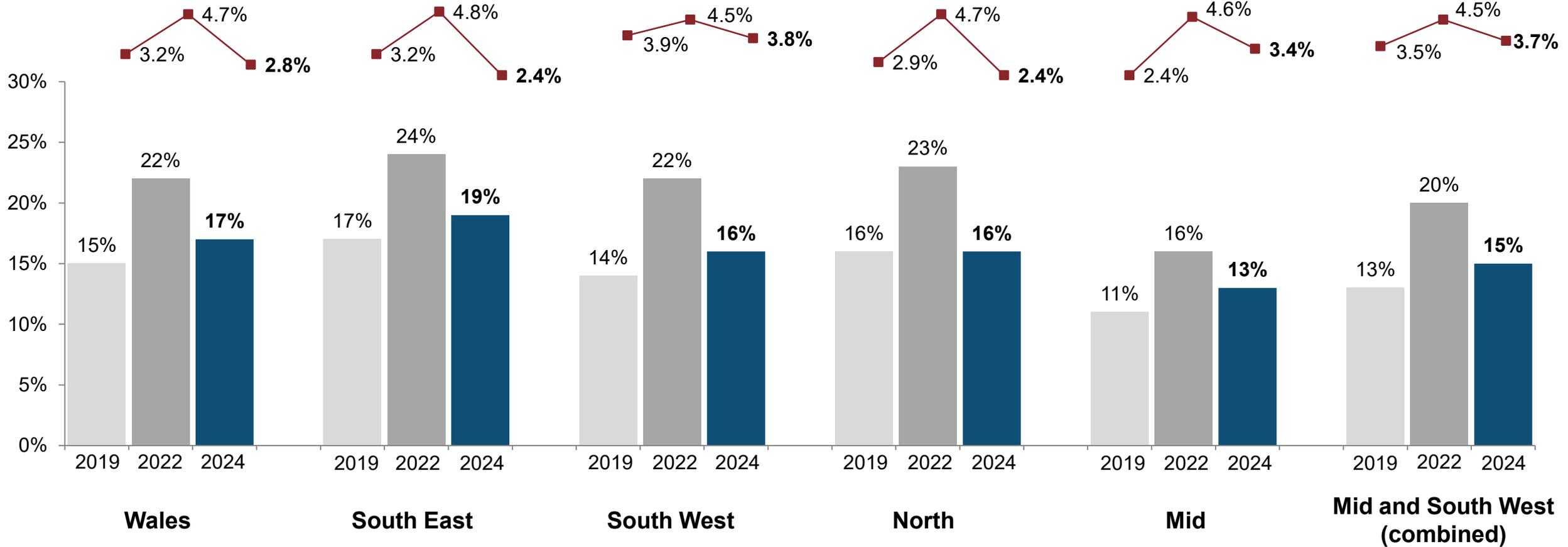
Number of reported vacancies (2024)

Base: All sites (2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023, 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388, Scotland: 5,080). Scotland was not included in 2019.

Vacancy incidence decreased across each Welsh region, except in Mid Wales, returning to 2019 levels. Vacancy density decreased in South East Wales and North Wales

Incidence (proportion of employers with vacancies)

 Density (vacancies as % of employment)

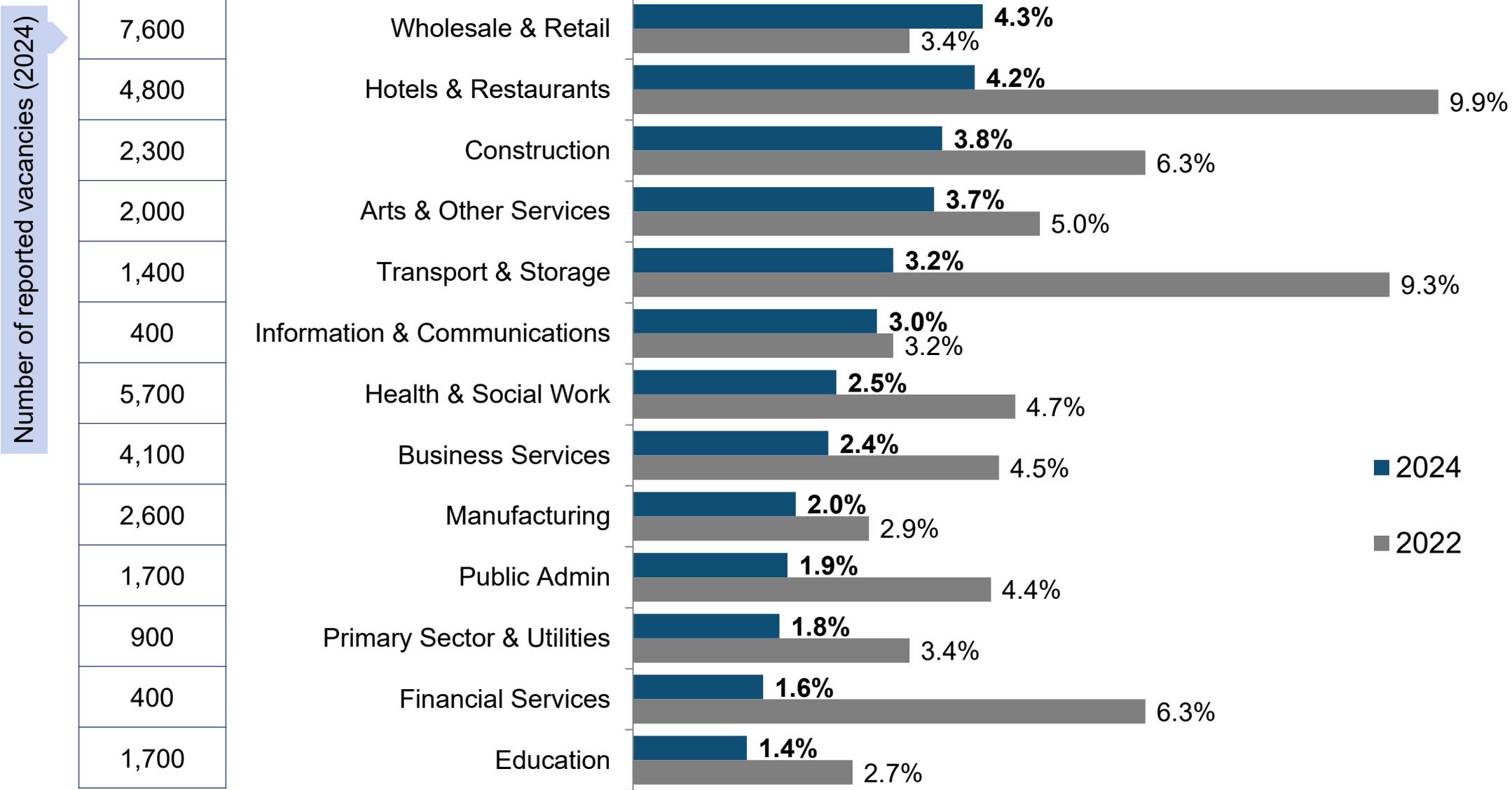


35,700	15,500	10,400	7,000	2,700	13,100
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Number of reported vacancies (2024)

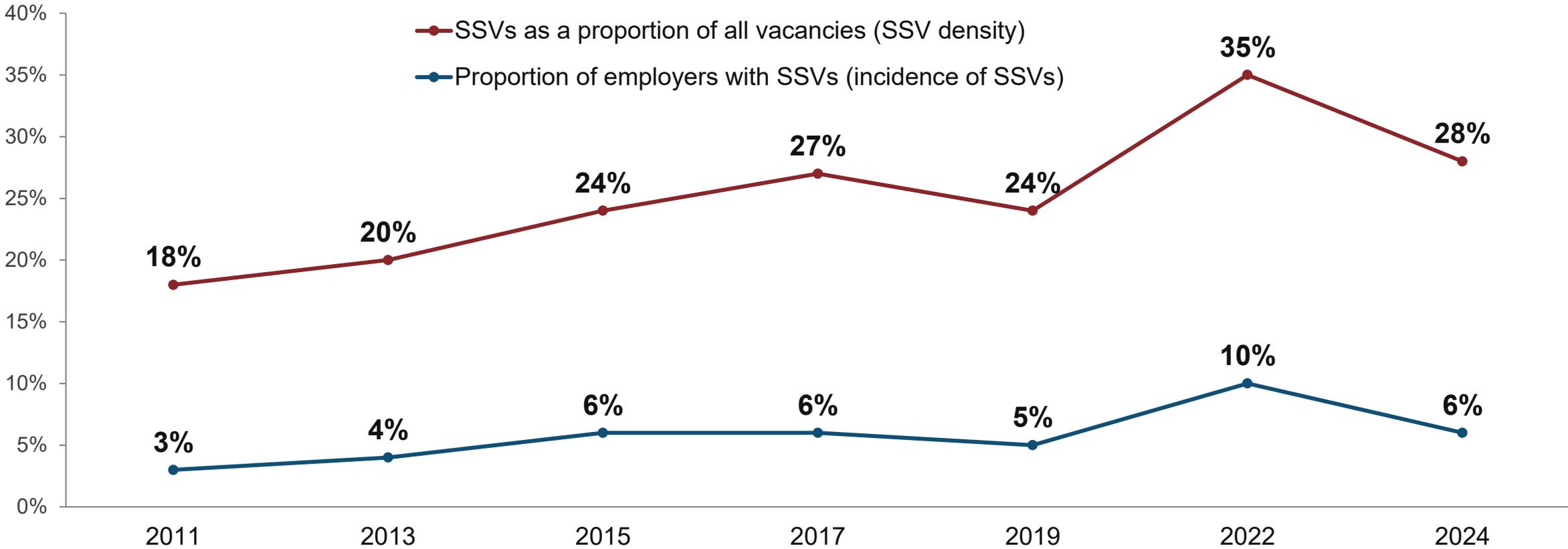
Base: All sites: (2024: 5,605; 2022: 4,825; 2019: 6,773). 2024 regional base sizes range from 717 in Mid Wales to 2,310 in South East Wales.

By sector, the decrease in vacancy density was most notable for the Transport and Storage and Hotels and Restaurants sectors



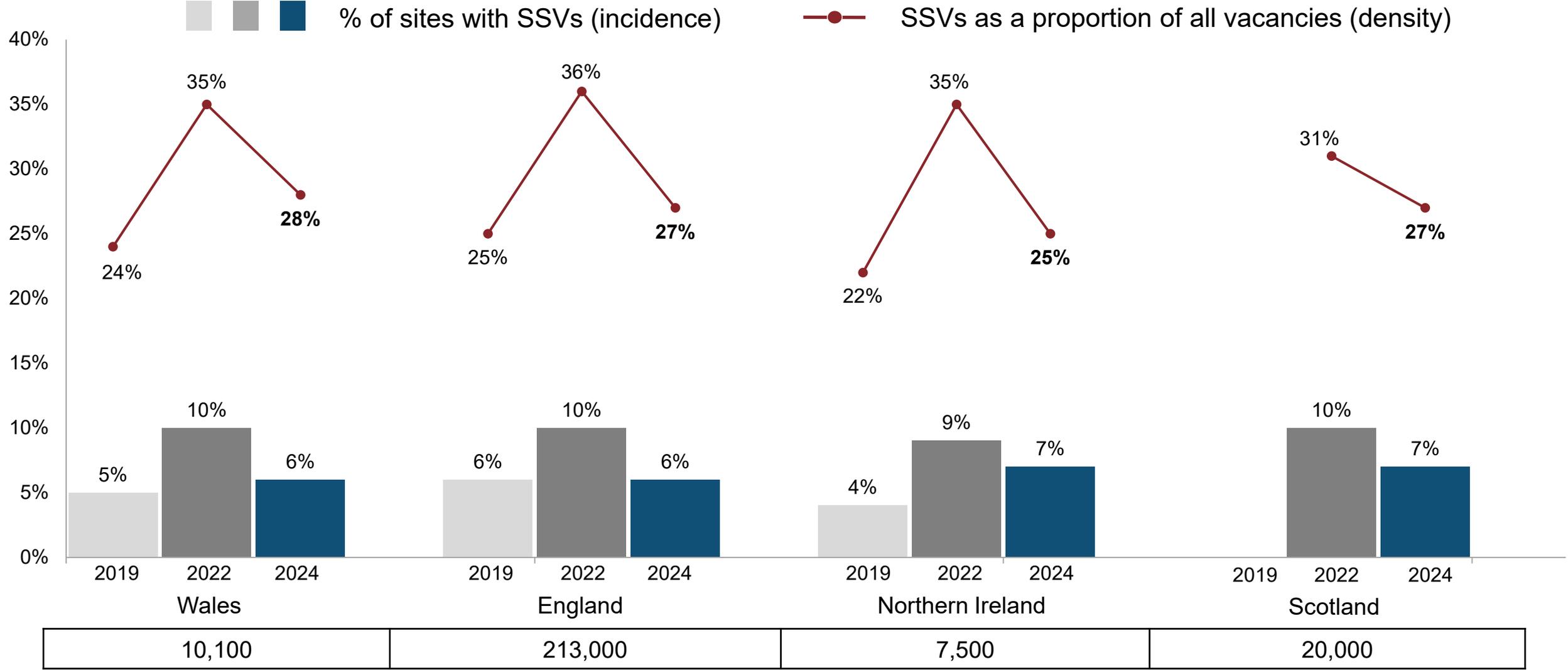
Base: All sites: (2024: 5,605; 2022: 4,825) 2024 base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail

While the incidence of SSVs decreased from 2022, the proportion with SSVs has gradually increased since 2011



*Base for incidence of skill-shortage vacancies: All sites (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).
 Base for density: All sites with vacancies 2024: 1,300 (2011: 1,095; 2013: 1,016; 2015: 1,277; 2017: 1,399; 2019: 1,503, 2022; 1,560)*

The incidence of skills shortage vacancies decreased across all UK nations while the density decreased for all except Northern Ireland, returning to 2019 levels



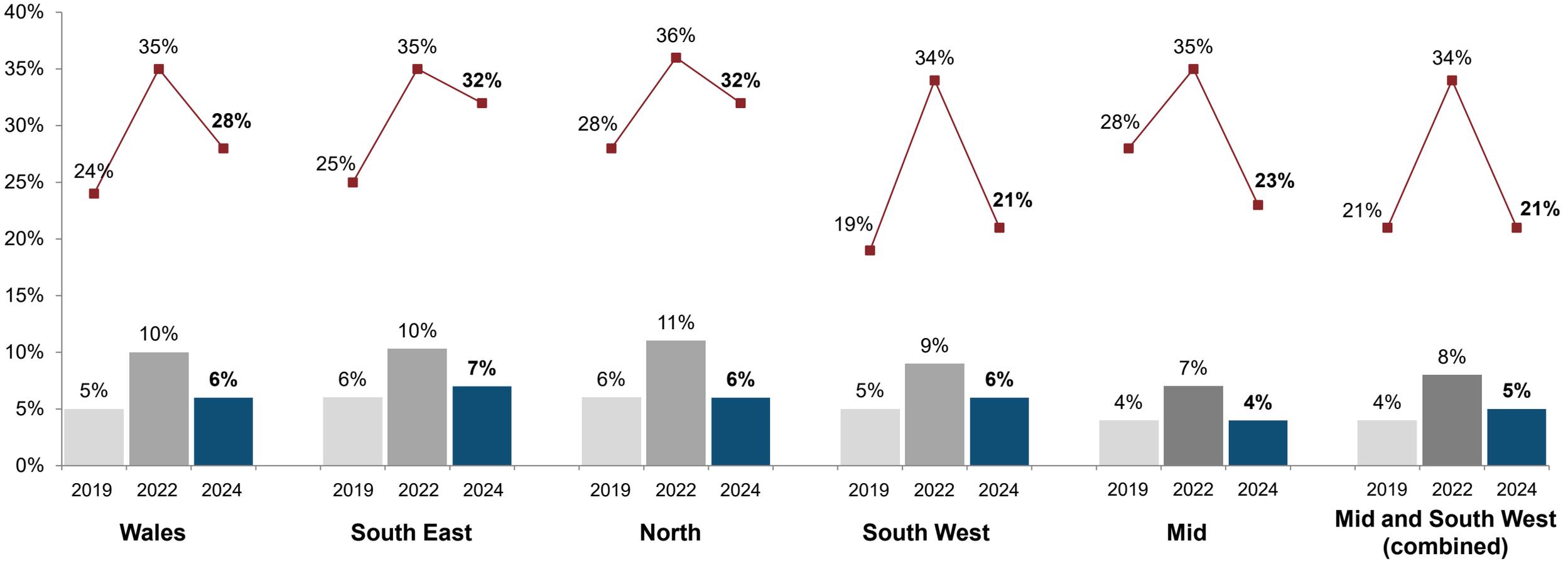
Number of reported vacancies (2024)

Base: All sites (2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388, Scotland: 5,080). Scotland was not included in 2019.

SSV incidence decreased across all regions to levels similar to 2019, and was highest in South East Wales and lowest in Mid Wales

% of sites with SSVs (incidence)

—■
 SSVs as a proportion of all vacancies (density)



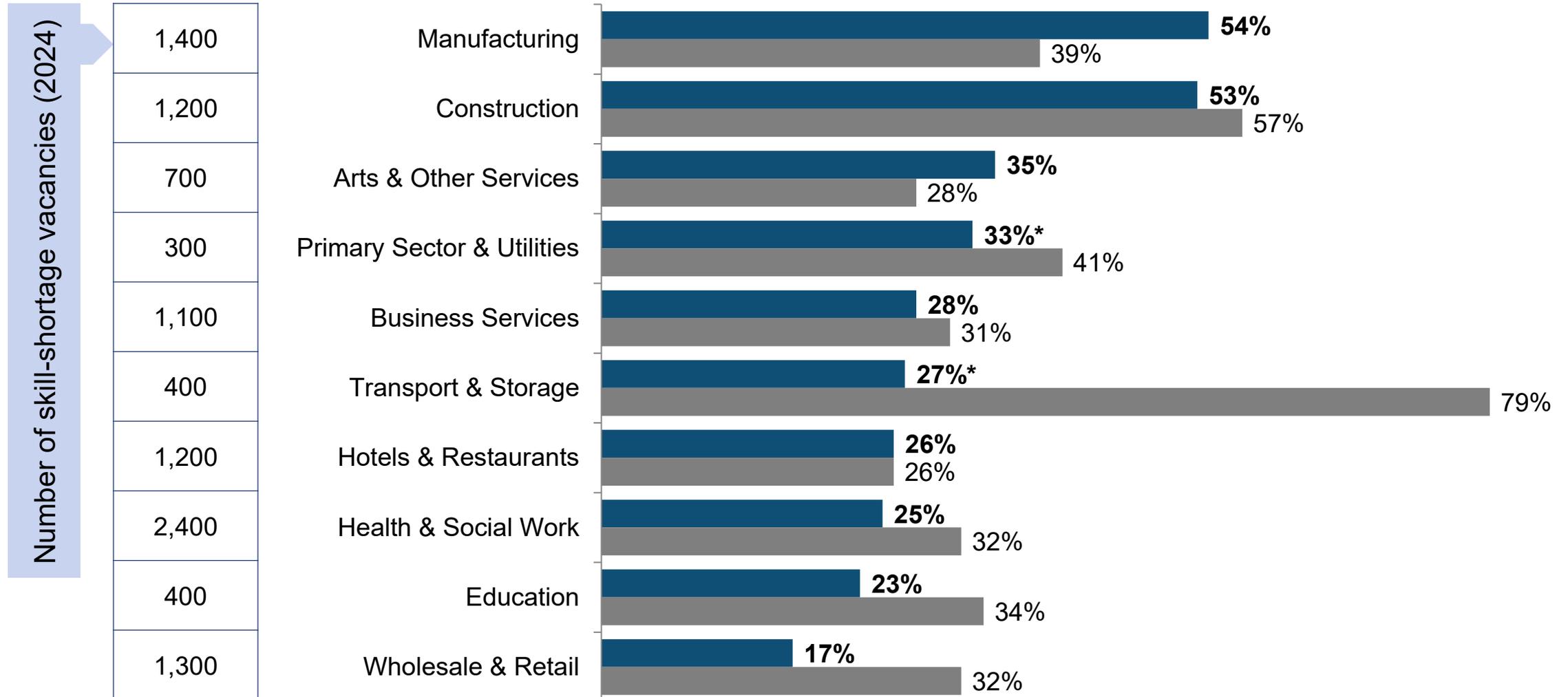
10,100	5,000	2,200	2,200	600	2,800
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Number of skill-shortage vacancies (2024)

Base for incidence of skill-shortage vacancies: All sites: (2024: 5,605; 2022: 4,825; 2019: 6,773). 2024 regional base sizes range from 454 in Mid Wales to 1,321 in South East Wales.
Base for density: All sites with vacancies 2024: 1,300 (2019: 1,503; 2022: 1,560). 2024 regional base sizes range from 160 in Mid Wales to 552 in South East Wales.

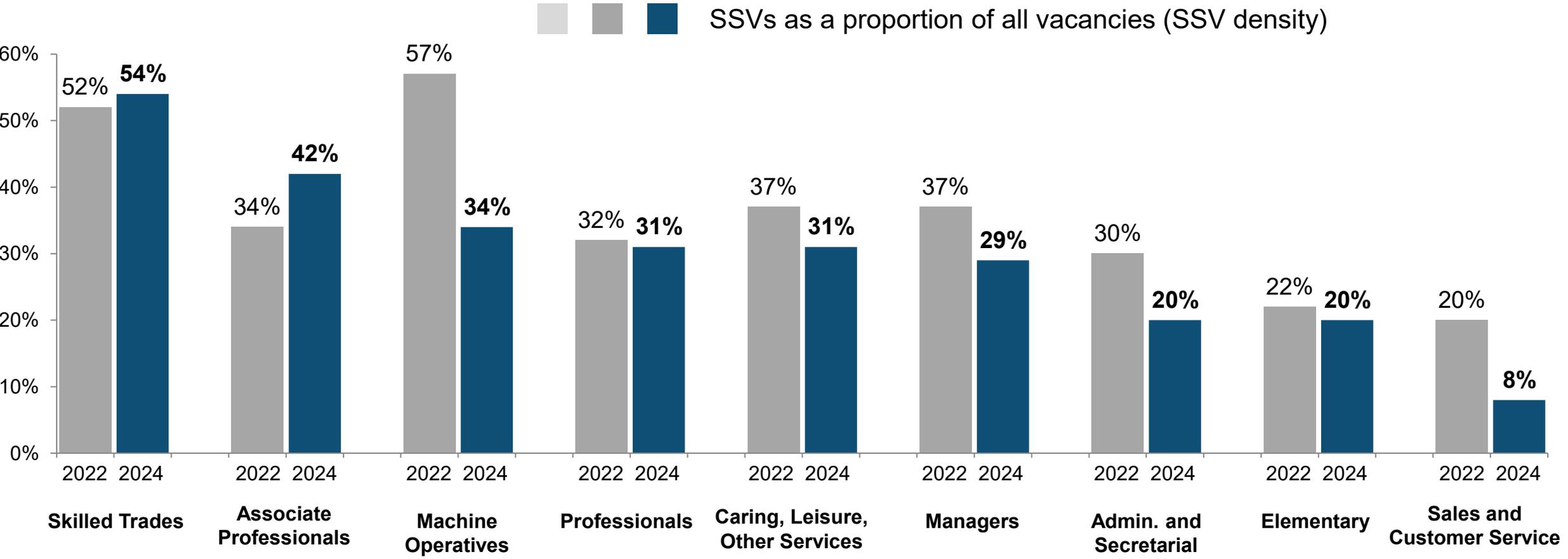
SSV density was highest in the Manufacturing and Construction sectors

■ 2024 SSVs as a proportion of all vacancies (SSV density) ■ 2022 SSV Density



Base: All sites with vacancies (2024: 1,300; 2022: 1,560). 2024 base sizes range from 37 in Primary Sector & Utilities to 245 in Health & Social Work. **Information & Communication (19), Financial Services (12) and Public Admin (21) not charted due to low base sizes. * indicates a low base size of 30-49 sites.**

Skilled Trades had the highest SSV density whereas Machine Operatives saw the greatest decrease from 2022

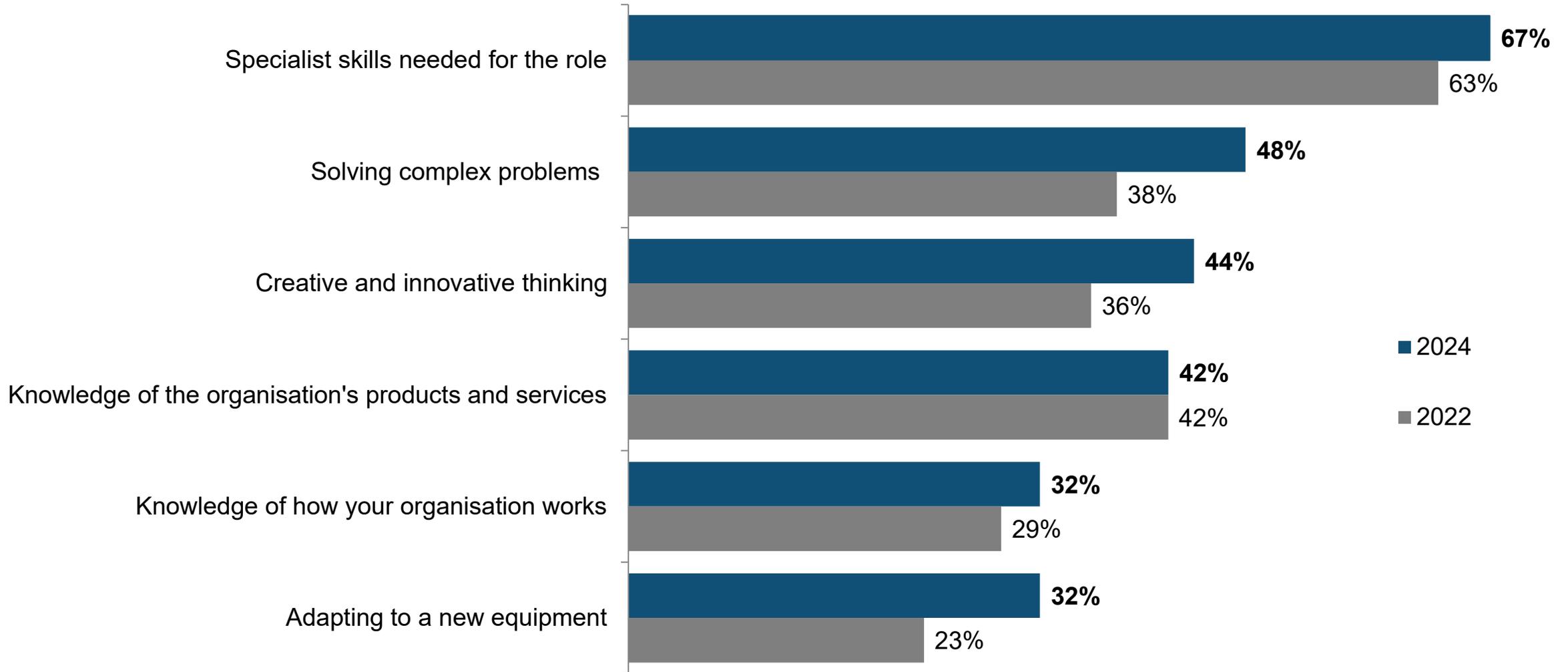


2,600	1,200	1,000	1,100	1,700	300	400	1,200	500
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Number of skill-shortage vacancies (2024)

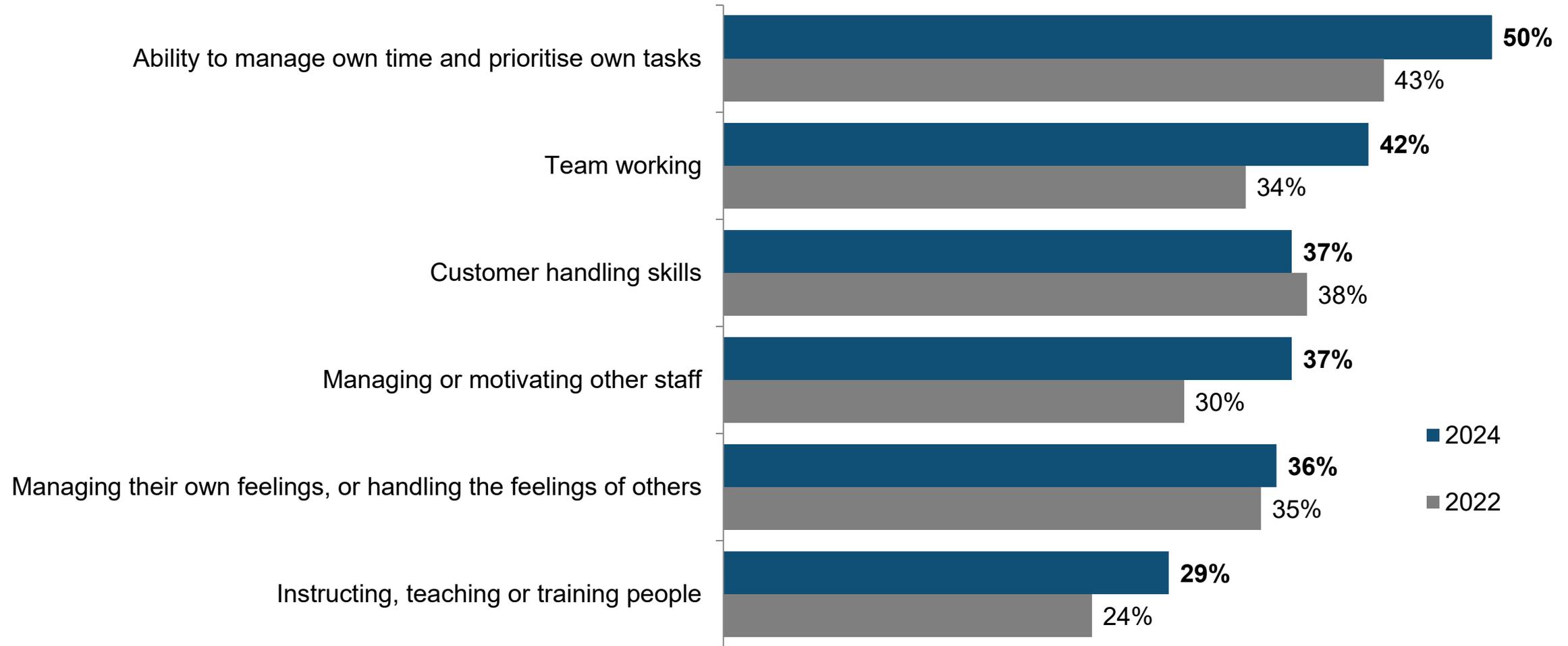
Base: All sites with vacancies in the given occupations (2024 base sizes range from 95 for Managers to 360 for Caring, Leisure and Other Services occupations)

Specialist skills or knowledge remains the most common technical and practical skill reported as lacking among SSV applicants



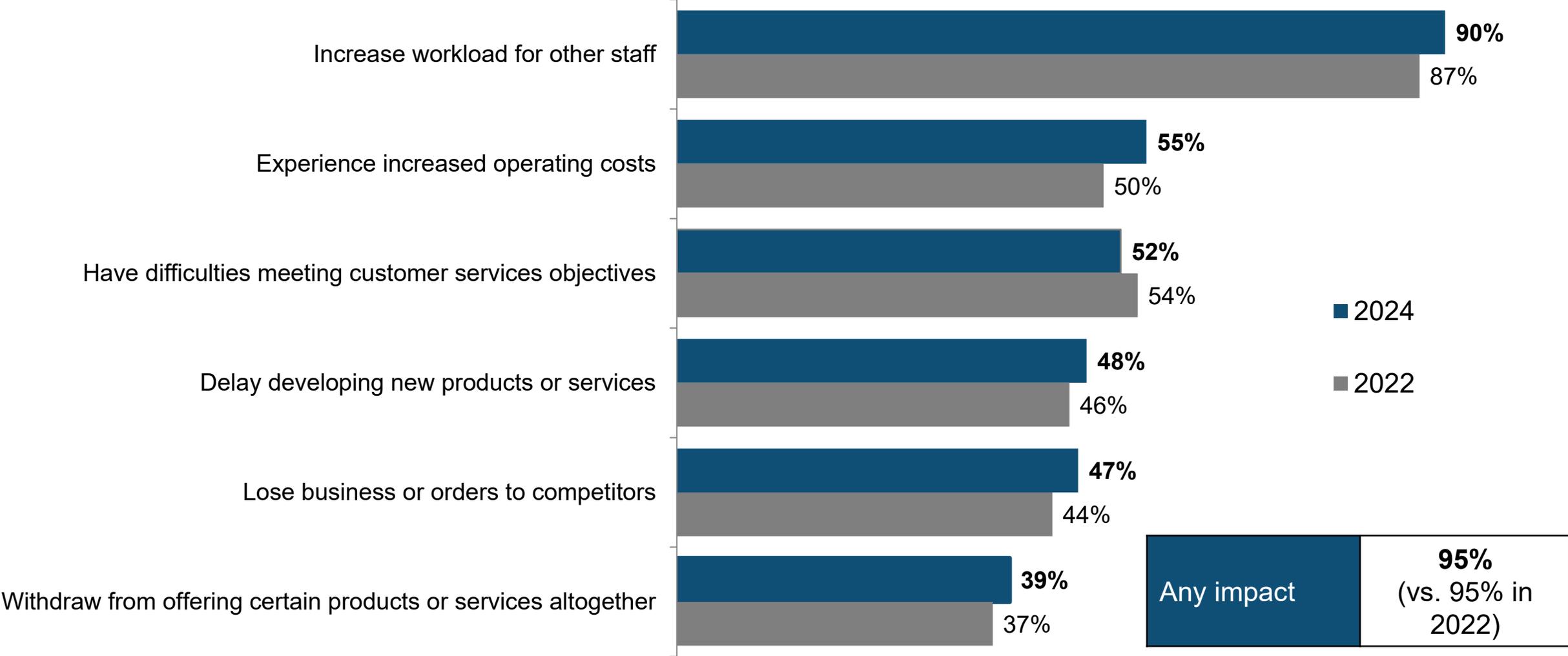
*Base: All with skill-shortage vacancies (2024: 469; 2022: 640)
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all sites)
Top 6 technical and practical skills cited shown.*

The people and personal skills reported as lacking among applicants remain consistent with 2022



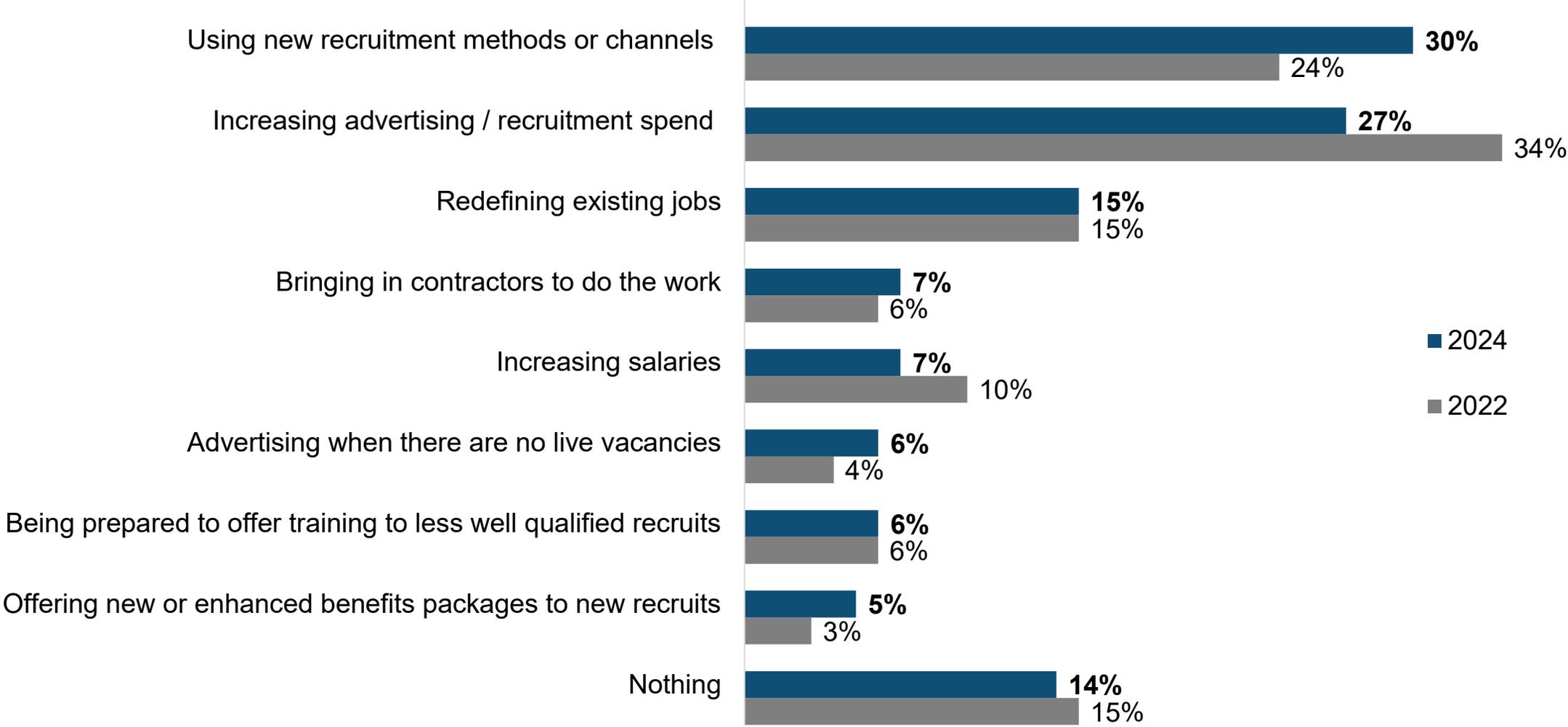
Base: All with skill-shortage vacancies (2024: 469; 2022: 640).
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all sites).
Top 6 people and personal skills cited shown.

The most commonly reported impact of SSVs was an increased workload for other staff



Base: All sites with hard-to-fill vacancies that are all as a result of skill shortages (2024: 427; 2022: 528).
 Top 6 cited impacts shown.

The most common action taken to overcome hard-to-fill vacancies was to use new recruitment methods or to increase recruitment spend



Base: All sites with hard-to-fill vacancies that are all as a result of skill shortages (2024: 427; 2022: 528). Responses cited by fewer than 5% in 2024 not shown.

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Skills gaps in the existing workforce



Department
for Education



IFF Research

Skills gap incidence has gradually trended down since the start of the ESS series, however this has not led to a notable reduction in skills gap density

Number of skill gaps

53,700

67,400

53,800

57,400

50,900

51,500

50,400

◆ Proportion of sites with skills gaps (incidence)

■ Proportion of employees with skills gaps (density)

16%

16%

14%

13%

13%

14%

12%

4.6%

5.8%

4.5%

4.7%

4.0%

4.1%

3.9%

2011

2013

2015

2017

2019

2022

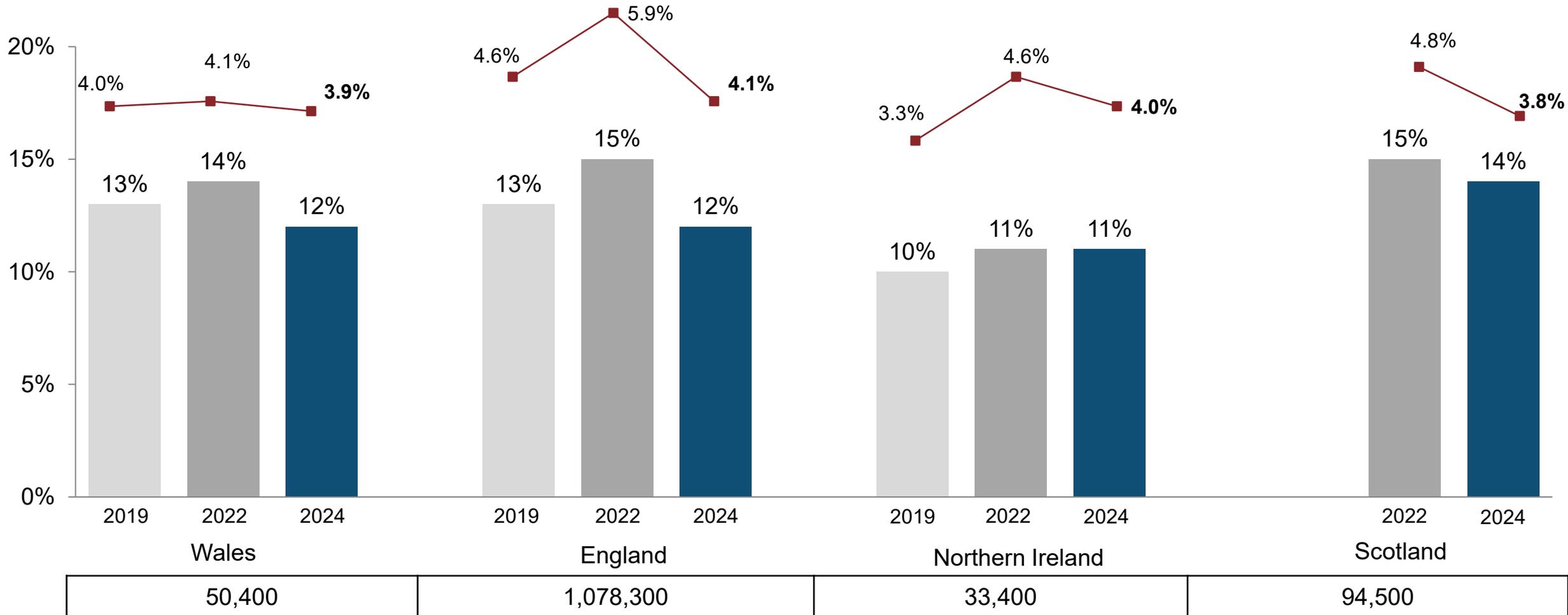
2024

Base: All sites (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605)

Skills gap density declined and was broadly consistent across the UK nations, while the incidence of skills gaps in Wales was in line with the UK average

% of sites with skills gaps

 Proportion of employees with skills gaps (density)

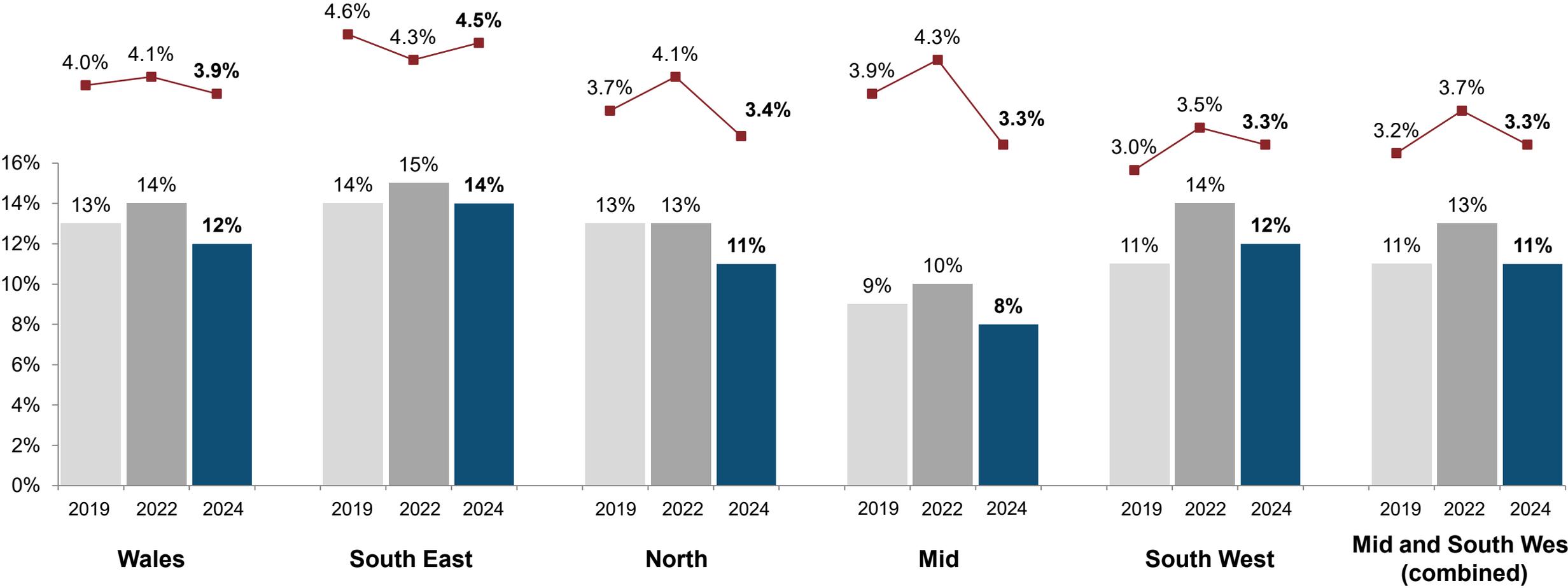


Base: All sites (2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388; Scotland: 5,080). Scotland was not included in 2019.

Skills gap incidence and density remained in line with 2022 and 2019 levels across all Welsh regions

Proportion of sites with skills gaps (incidence)

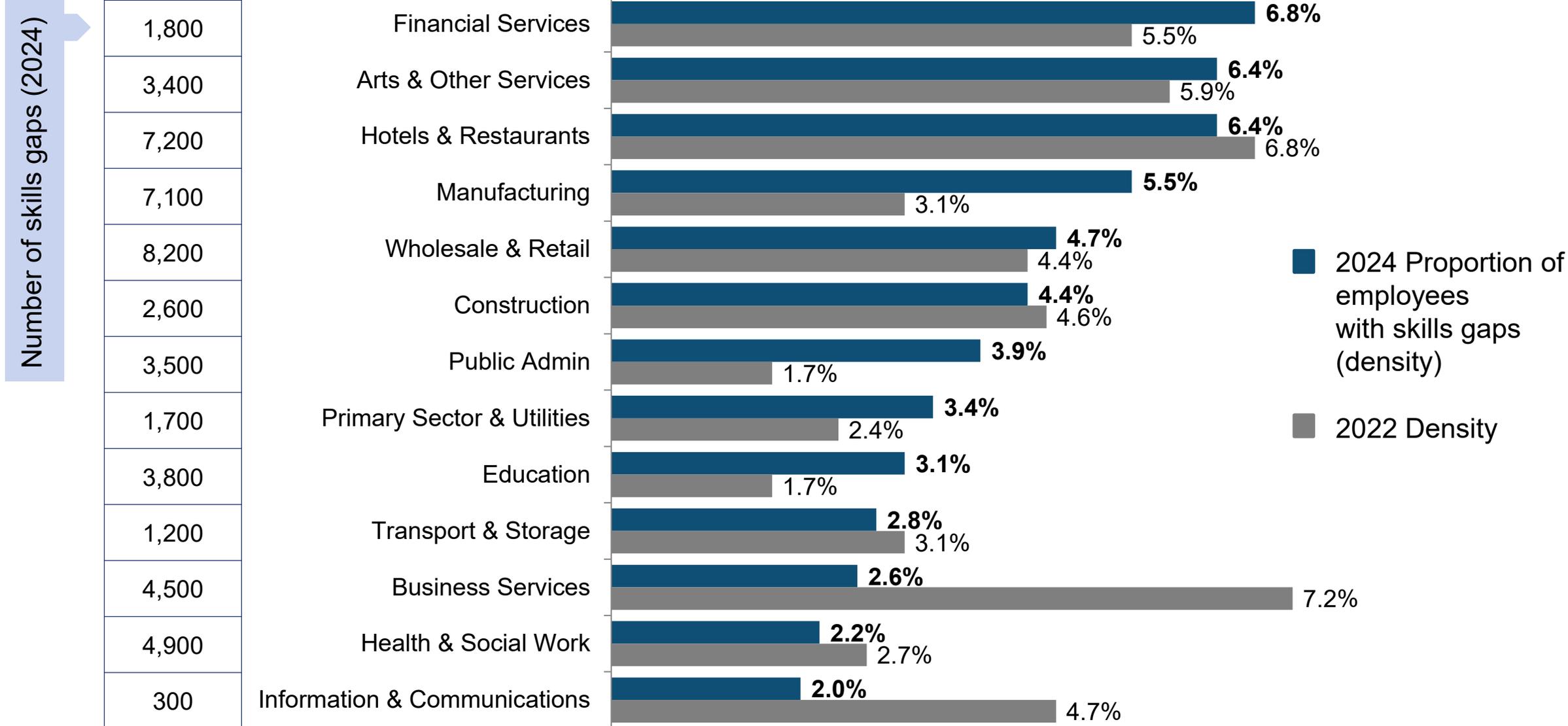
 Proportion of employees with skills gaps (density)



Number of skills gaps (2024)

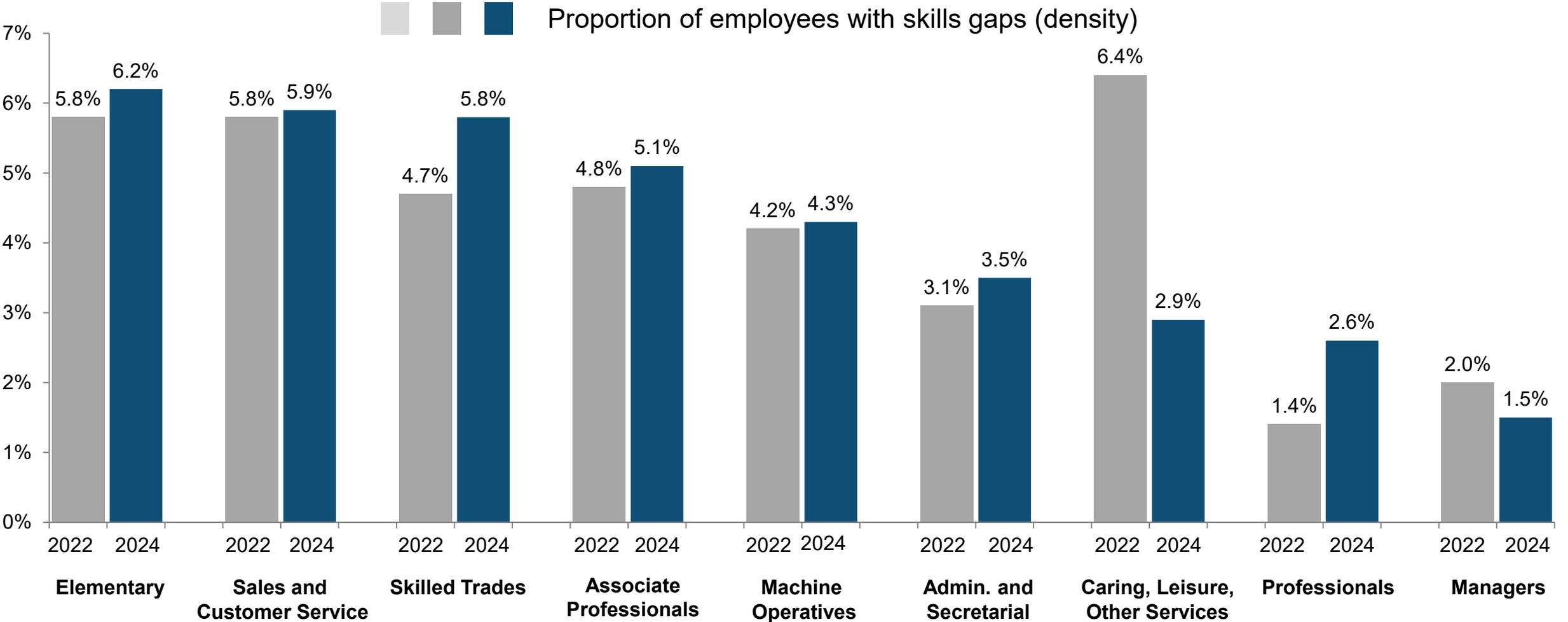
Base: All sites 2024: Wales: 5,605; regional base sizes range from 717 in Mid Wales to 2,310 in South East Wales.

Skills gap density was highest in Financial Services, while Business Services saw the greatest decrease from 2022



Base: All sites: 2024: 5,605; 2022: 4,825 (2024 base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail)

Skills gap density was highest for Elementary occupations and lowest among Managers. Caring, Leisure and Other Services occupations saw the only decrease in density

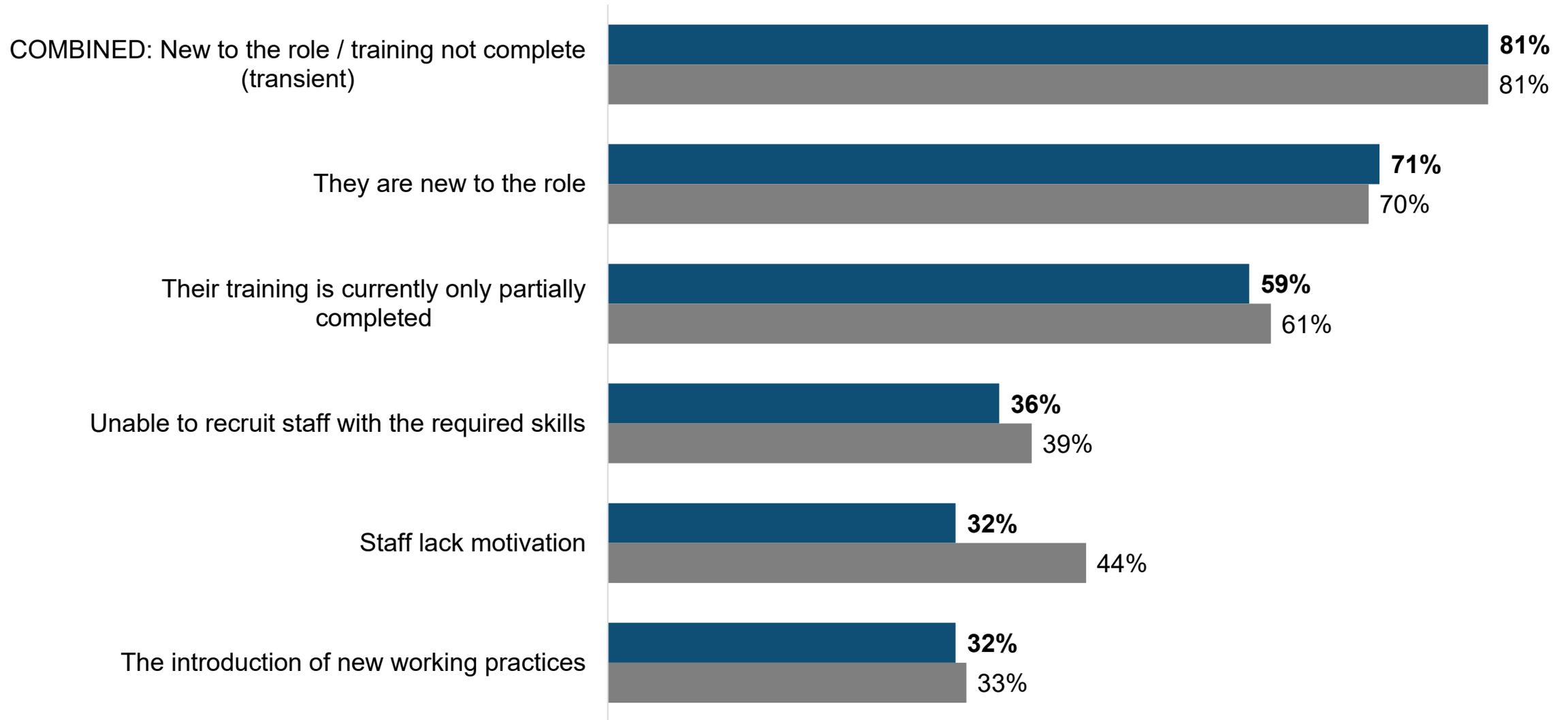


10,200	7,100	5,800	4,200	6,600	5,000	4,800	3,300	3,300
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Number of skills gaps (2024)

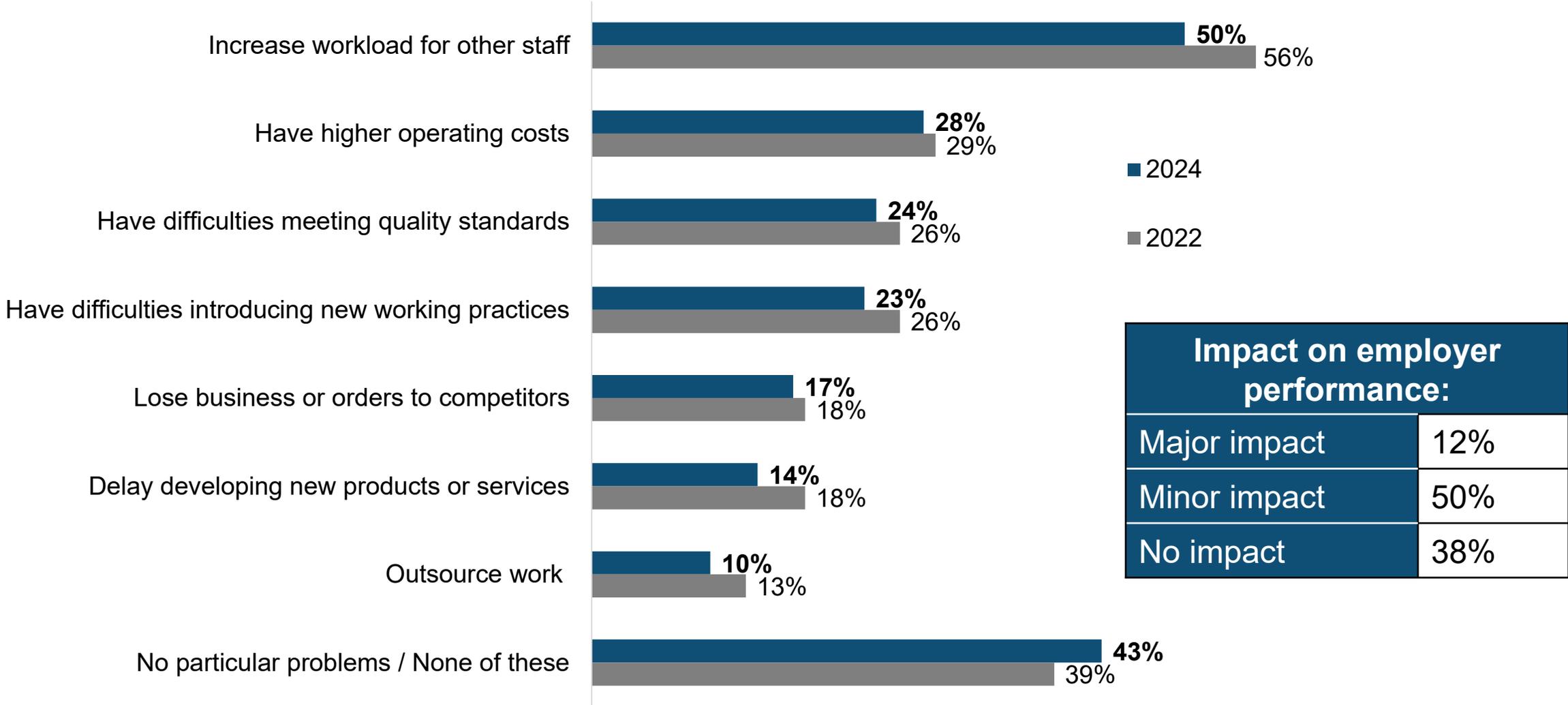
Base: All sites with staff in the given occupations (2024 base sizes range from 763 for Associate Professionals to 5,382 for Managers)

The main causes of skills gaps continued to be transient factors



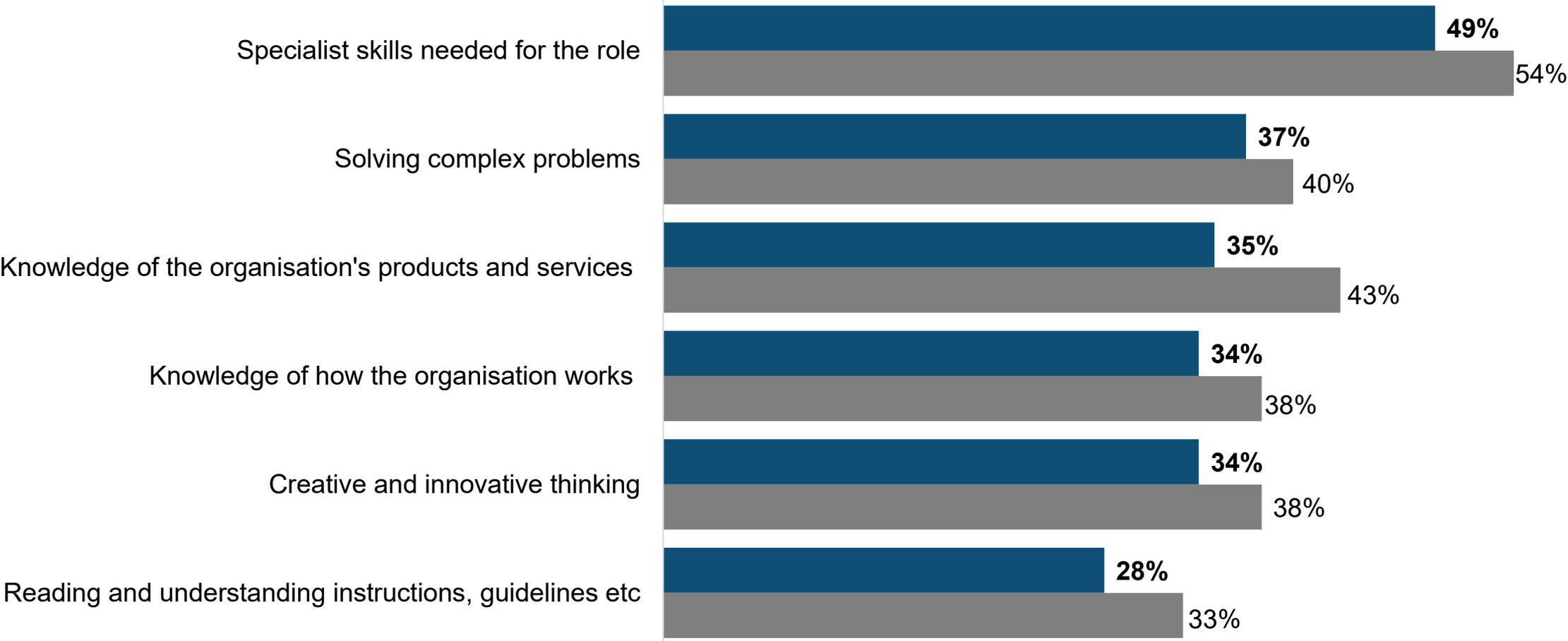
*Base: All sites with skills gaps - up to 2 occupations followed up (2024: 955; 2022: 925).
Figures are shown as a percentage of all skills gaps (not a percentage of all sites).
Top 6 factors cited shown.*

As in 2022, an increased workload for other staff was the most commonly reported impact of skills gaps



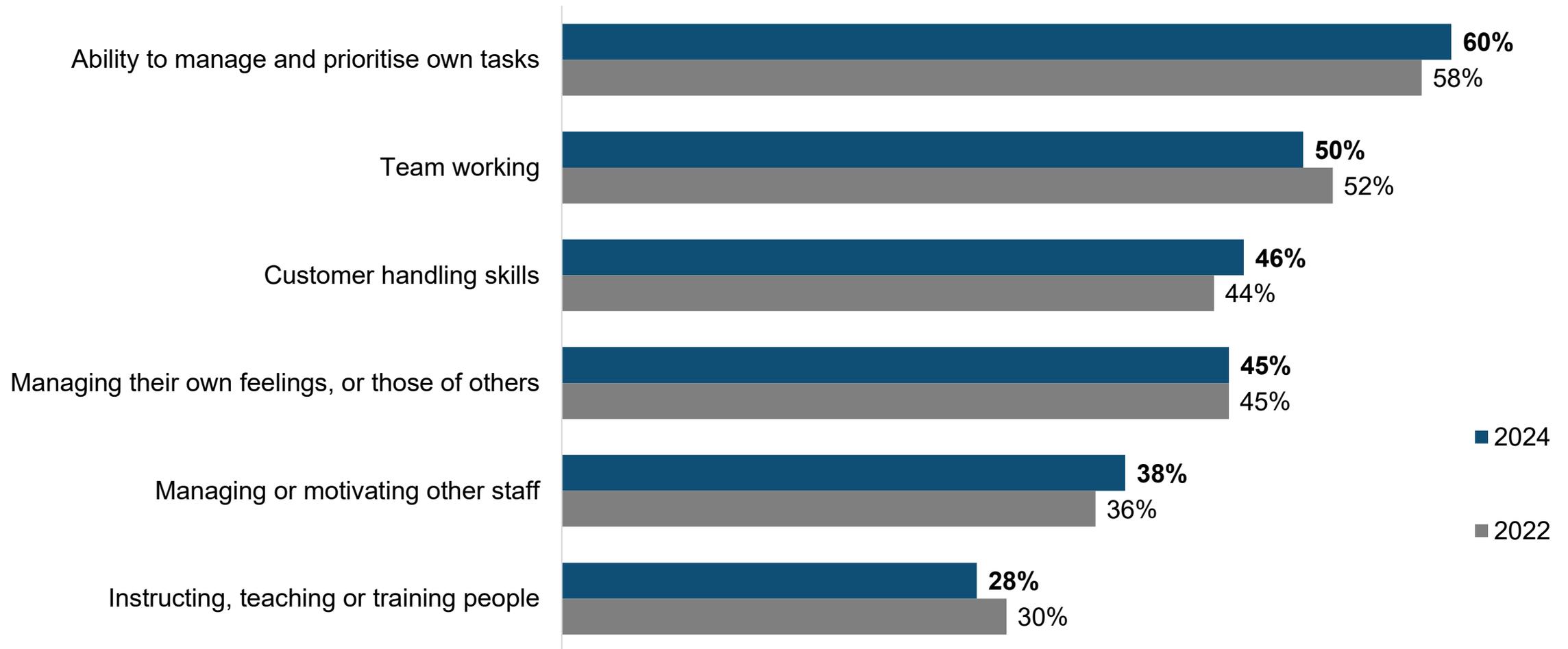
Base: All sites with skills gaps (2024: 955; 2022: 925)

Specialist skills needed for the role were the most common technical skill lacking among staff with skills gaps



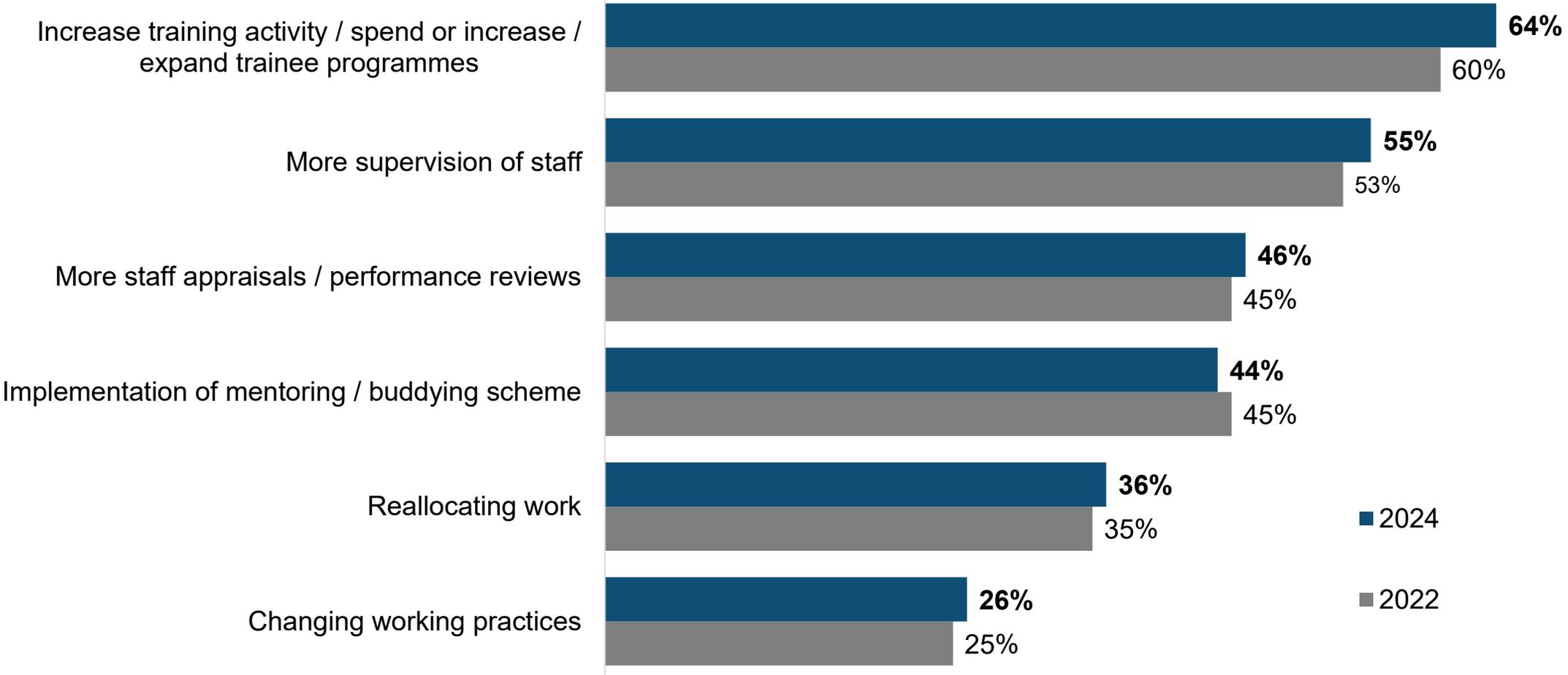
*Base: All sites with skills gaps - up to 2 occupations followed up (2024: 955; 2022: 925).
Figures are shown as a percentage of all skills gaps (not a percentage of all sites).
Top 6 technical and practical skills lacking shown.*

The ability to manage and prioritise tasks was the most common people and personal skill lacking among staff with skills gaps



*Base: All sites with skills gaps - up to 2 occupations followed up (2024: 955; 2022: 925).
Figures are shown as a percentage of all skills gaps (not a percentage of all sites).
Top 6 people and personal skills lacking shown.*

Increasing training activity, spending or programmes was the most common action used to overcome lack of proficiency among staff



Base: All sites with skills gaps - up to 2 occupations followed up (2024: 955; 2022: 925).
Figures are shown as a percentage of all skills gaps (not a percentage of all sites).
Top 6 cited actions shown.

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Under-use of skills and qualifications

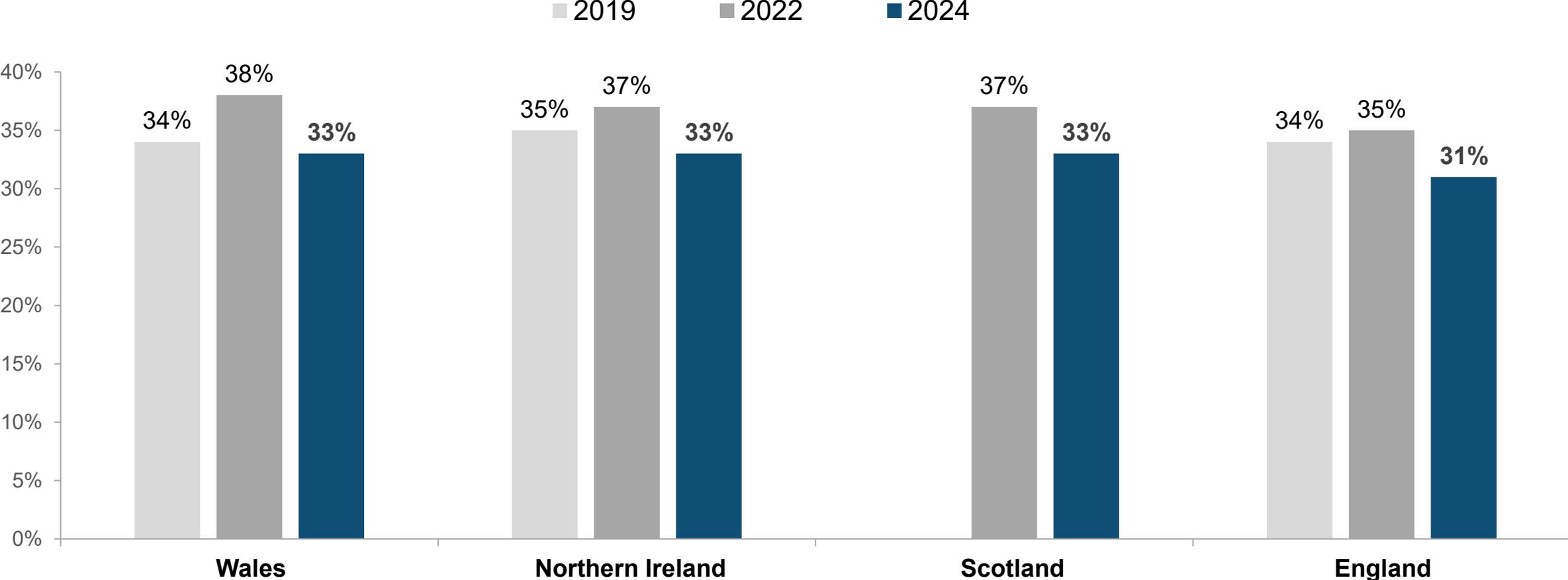


Department
for Education



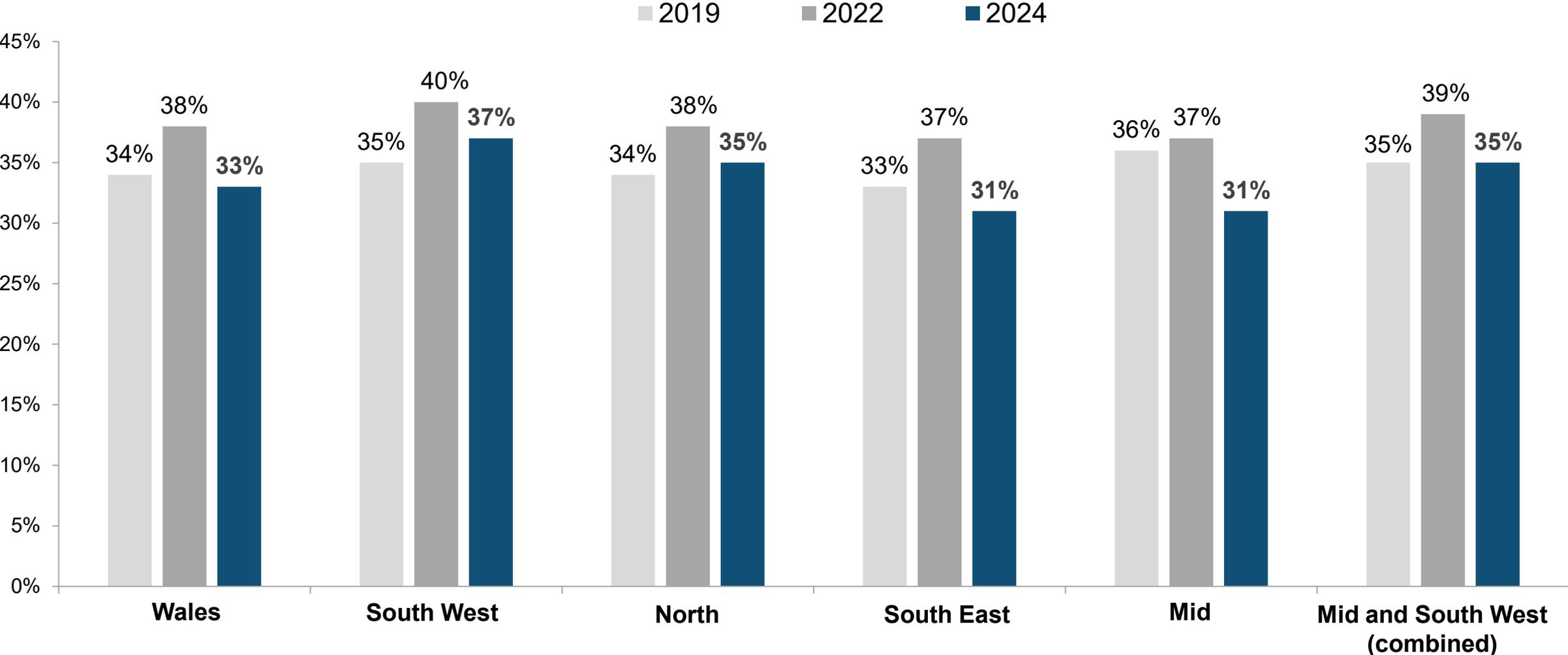
IFF Research

The proportion of sites with underutilised staff decreased across all UK nations to the lowest figures seen in the ESS series



Base: All sites in the UK (2024: 7,899; 2022: 16,625; 2019: 32,088) National base sizes in 2024 (Wales: 1,379; England: 2,204, Northern Ireland: 1,702, Scotland: 2,614). Scotland was not included in 2019.

The decrease in the proportion of sites with underutilised staff was driven by South East Wales, the only region which saw a decrease from 2022 levels



Base: All sites 2024 (Wales (Module A): 1,379; regional base sizes range from 181 in Mid Wales to 568 in South East Wales).

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Training and workforce development



Department
for Education



IFF Research

Training and workforce development - summary

Measure	2011	2013	2015	2017	2019	2022	2024
% of employers that train	63%	62%	63%	62%	62%	60%	60%
% of employers that train <i>off-the-job</i>	47%	47%	49%	47%	45%	36%	40%
% of employers that train <i>on-the-job</i>	50%	48%	49%	48%	49%	51%	50%
% that <i>only</i> train <i>on-the-job</i>	16%	15%	14%	15%	18%	24%	21%
% of staff trained over the last 12 months	56%	62%	64%	58%	65%	63%	64%
Days training per person trained	7.5	7.7	7.2	6.2	5.1	6.8	6.6
Total training days provided	4.9m	5.6m	5.4m	4.4m	4.2m	5.3m	5.4m

Training and workforce development - summary

Measure	Wales	England	Northern Ireland	Scotland
% of employers that train	60%	59%	56%	63%
% of employers that train <i>off</i> -the-job	40%	40%	37%	42%
% of employers that train <i>on</i> -the-job	50%	48%	46%	53%
% that <i>only</i> train <i>on</i> -the-job	21%	19%	20%	20%
% of staff trained over the last 12 months	64%	63%	61%	60%
Days training per person trained	6.6	5.6	5.8	6.0
Total training days provided	5.4m	93m	2.9m	9.0m

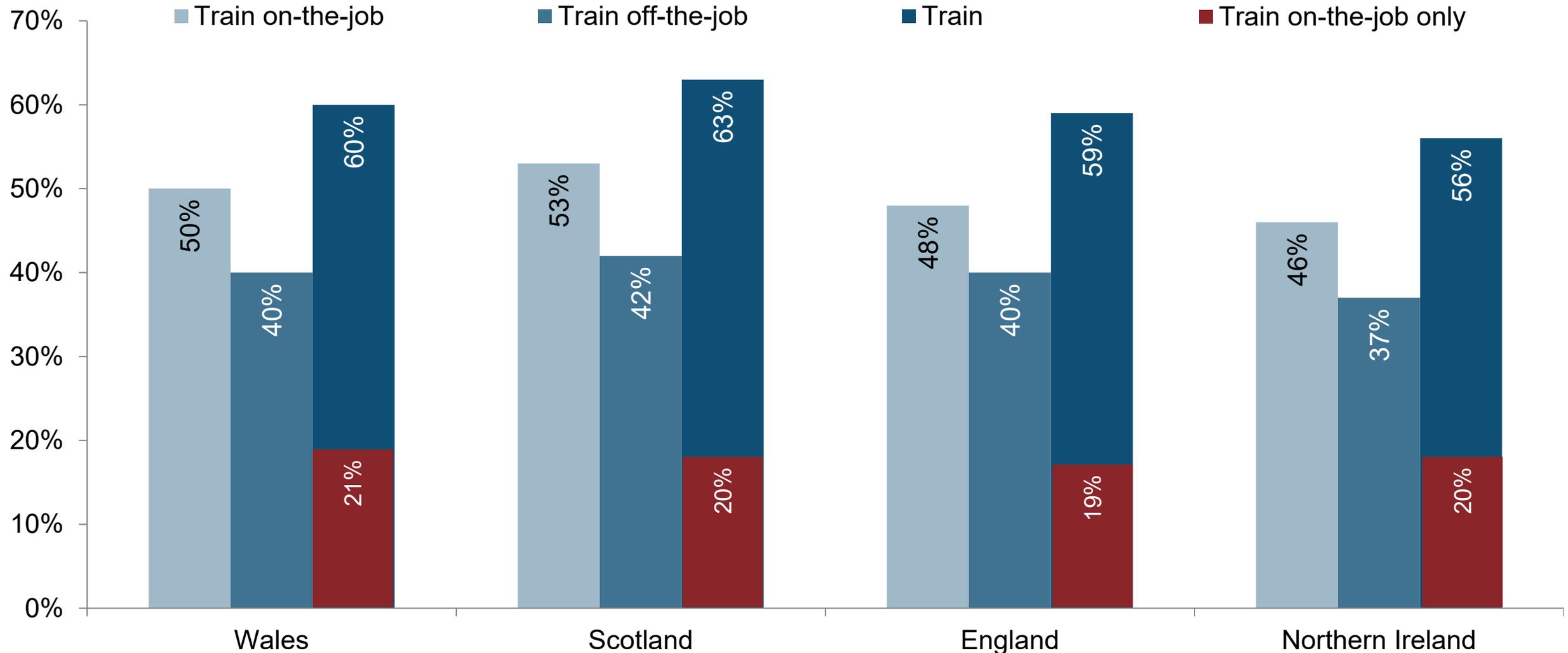
The total number of training days and training days per trainee remained similar to that of 2022

By nation and region	Days per person trained			Total training days		
	2019	2022	2024	2019	2022	2024
Wales	5.1	6.8	6.6	4.2m	5.3m	5.4m
North	5.5	6.9	4.9	1.1m	1.3m	0.9m
Mid	6.4	5.2	5.8	0.3m	0.3m	0.3m
South East	4.7	7.4	8.0	1.9m	2.8m	3.3m
South West	5.4	5.7	5.3	0.9m	1.0m	0.9m
Mid and South West (combined)	5.6	5.6	5.4	1.2m	1.2m	1.2m

The Manufacturing sector provided the highest number of training days per trainee

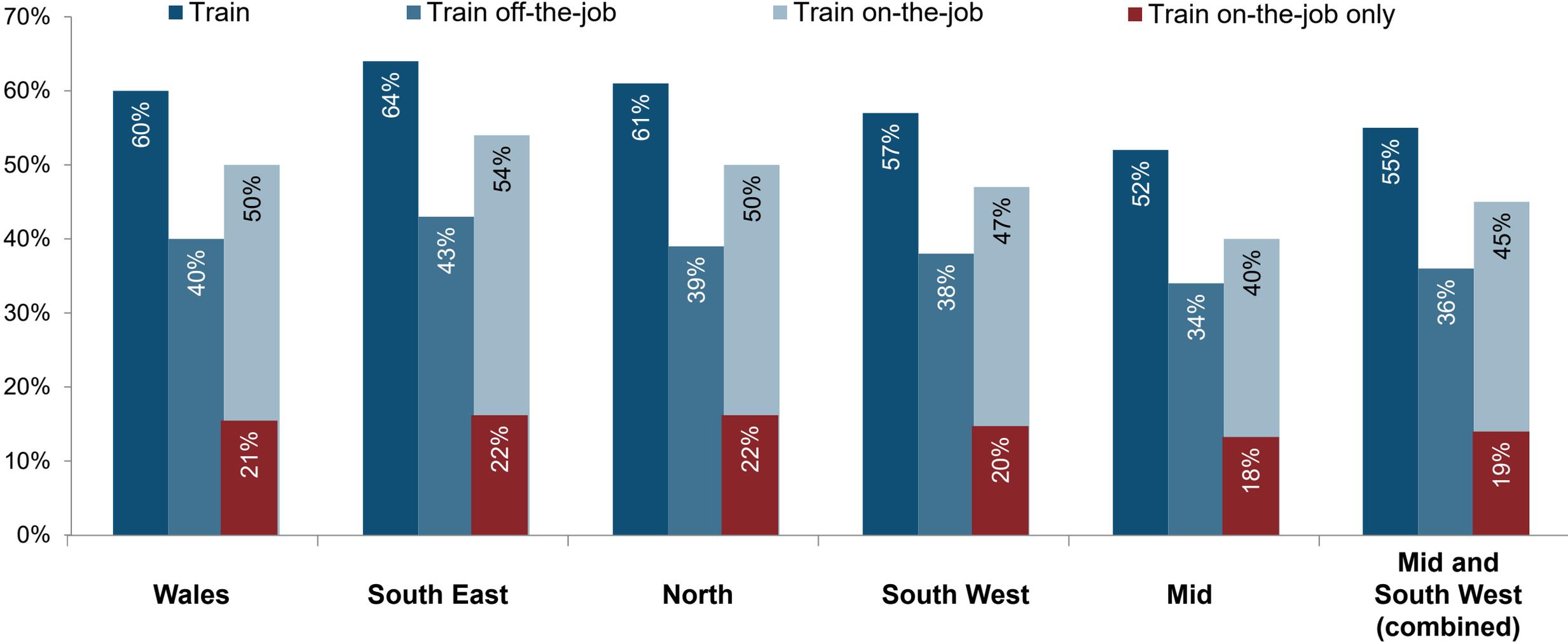
By sector	Days per person trained			Total training days (thousands)		
	2019	2022	2024	2019	2022	2024
Primary Sector & Utilities	4.4	5.5	5.7	88	92	130
Manufacturing	4.3	7.7	13.5	369	673	933
Construction	8.4	6.6	8.2	275	167	281
Wholesale & Retail	5.7	7.3	6.2	540	692	600
Hotels & Restaurants	6.3	6.4	5.6	389	426	390
Transport & Storage	4.1	6.9	5.0	115	156	124
Information & Communications	4.5	5.7	6.7	61	48	37
Financial Services	2.8	14.3	5.7	69	94	136
Business Services	4.9	5.9	6.9	515	703	860
Public Administration	4.1	3.2	3.1	298	181	86
Education	4.9	5.2	3.9	433	475	373
Health & Social Work	5.5	8.2	6.2	861	1,316	1,232
Arts & Other Services	5.6	8.8	7.4	192	296	229

Employers in Wales provided similar amounts of training to those in England and more than those in Northern Ireland, but less than those in Scotland



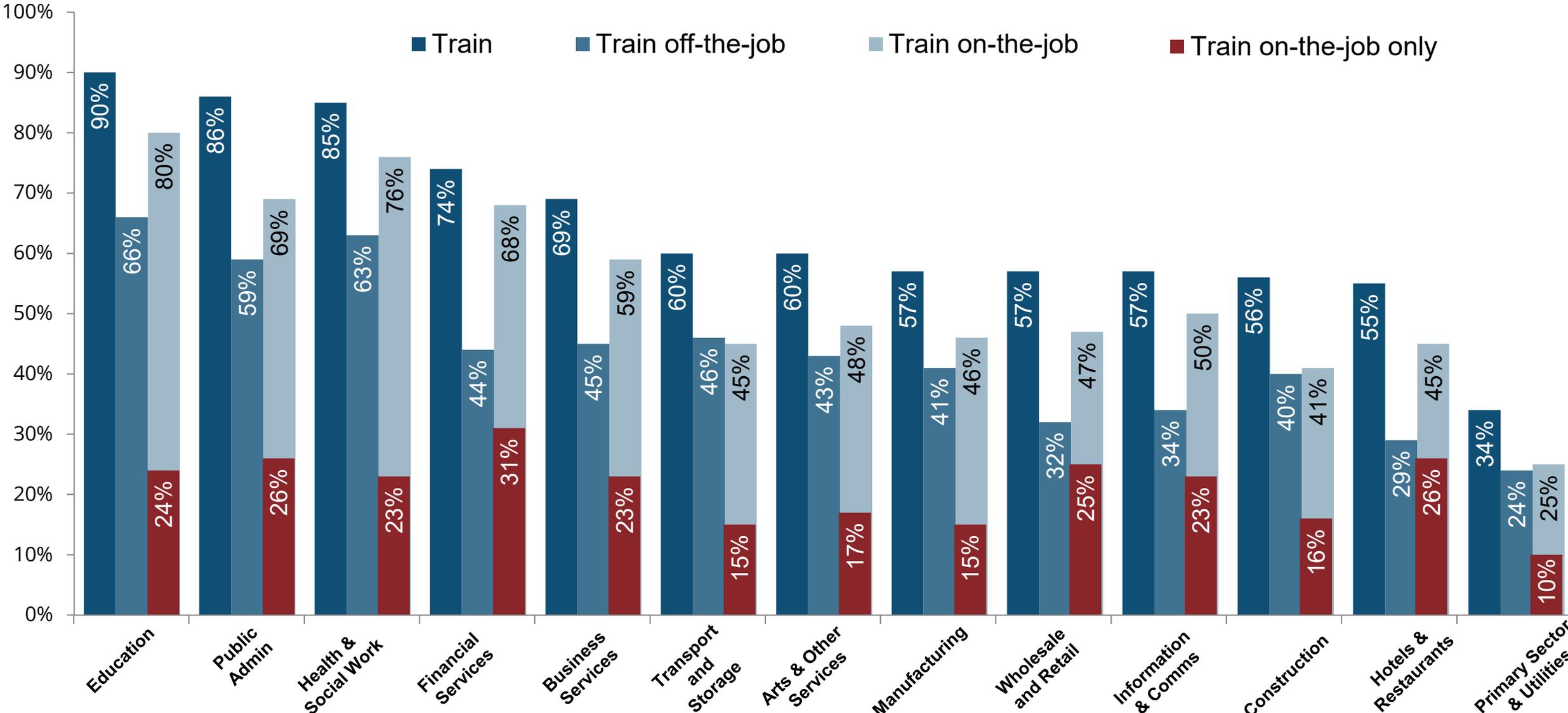
Base: All sites 2024: England: 8,639; Northern Ireland: 3,388; Scotland: 5,080; Wales: 5,605

Employers in South East Wales were most likely to have funded or arranged training for their staff



Base: All sites 2024: Wales: 5,605; regional base sizes range from 717 in Mid Wales to 2,310 in South East Wales.

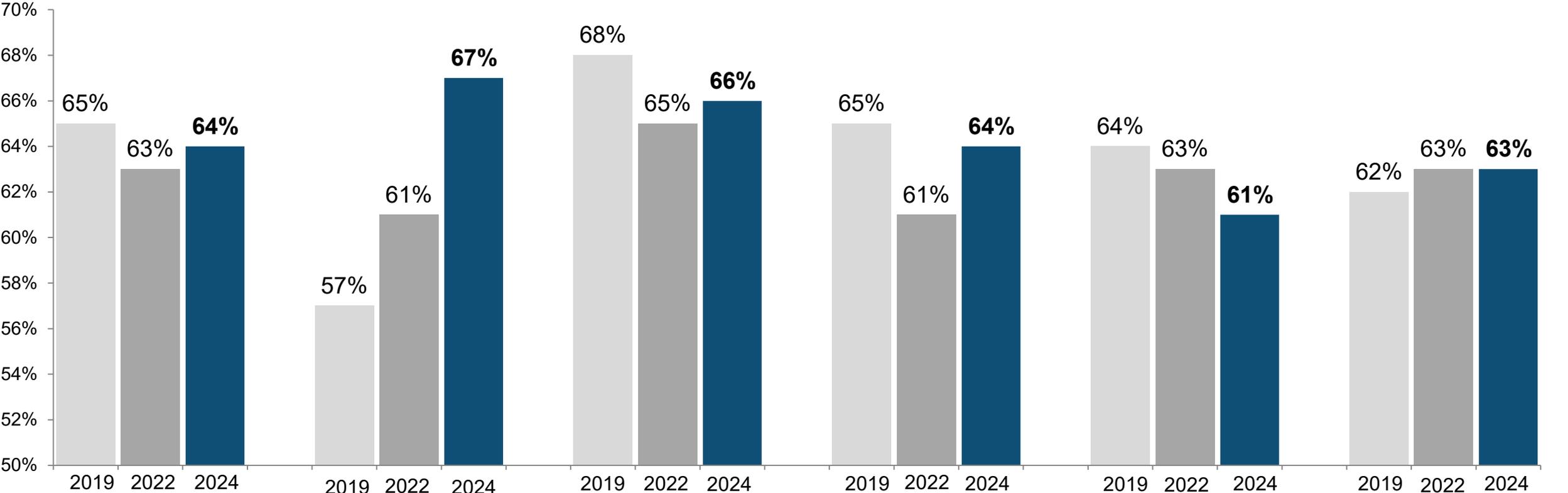
Employers in Education, Public Administration and Health and Social Work were most likely to have provided any training



Base: All sites (2024 base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail)

While the number of staff trained increased from the 2022 figure, the overall proportion of staff trained was similar to 2022 across all regions

Proportion of staff trained over last 12 months



Region	Wales	Mid	North	South East	South West	Mid and South West (combined)
Number of staff trained (2024)	823,400	54,000	192,000	410,700	166,700	220,700

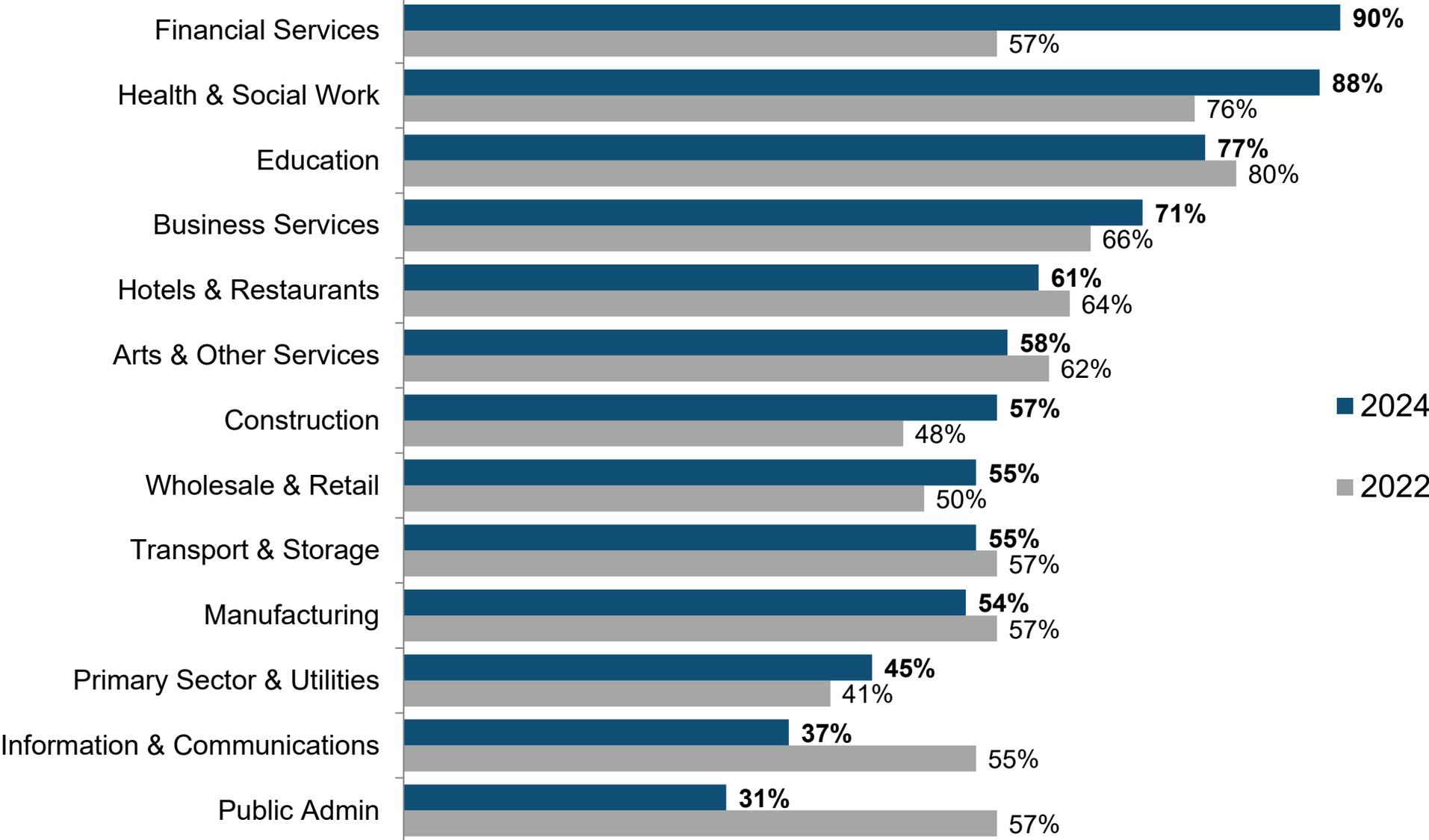
Number of staff trained (2024)

Base: All sites 2024: Wales: 5,605; regional base sizes range from 717 in Mid Wales to 2,310 in South East Wales.

Financial Services had the largest proportion of staff trained and saw the greatest increase from 2022

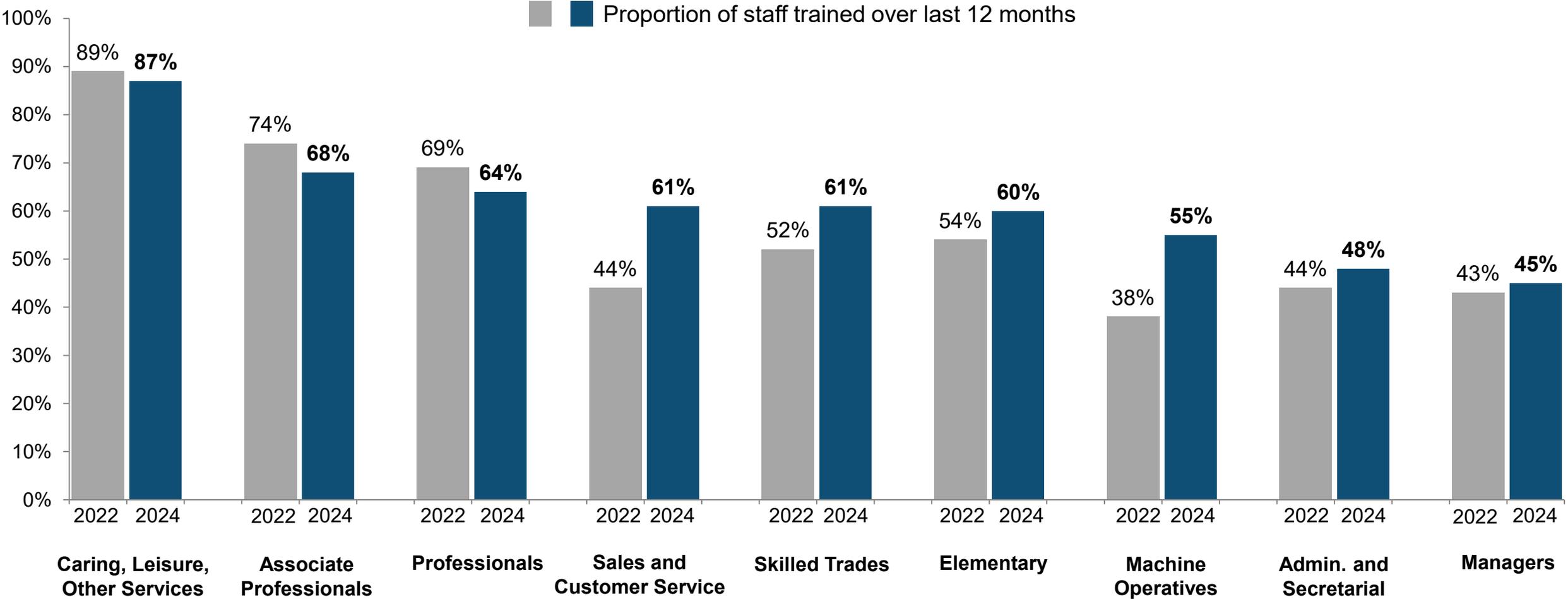
Number of staff trained (2022)

23,700
199,500
95,200
123,800
69,200
31,100
34,500
96,900
24,500
69,100
22,900
5,500
27,500



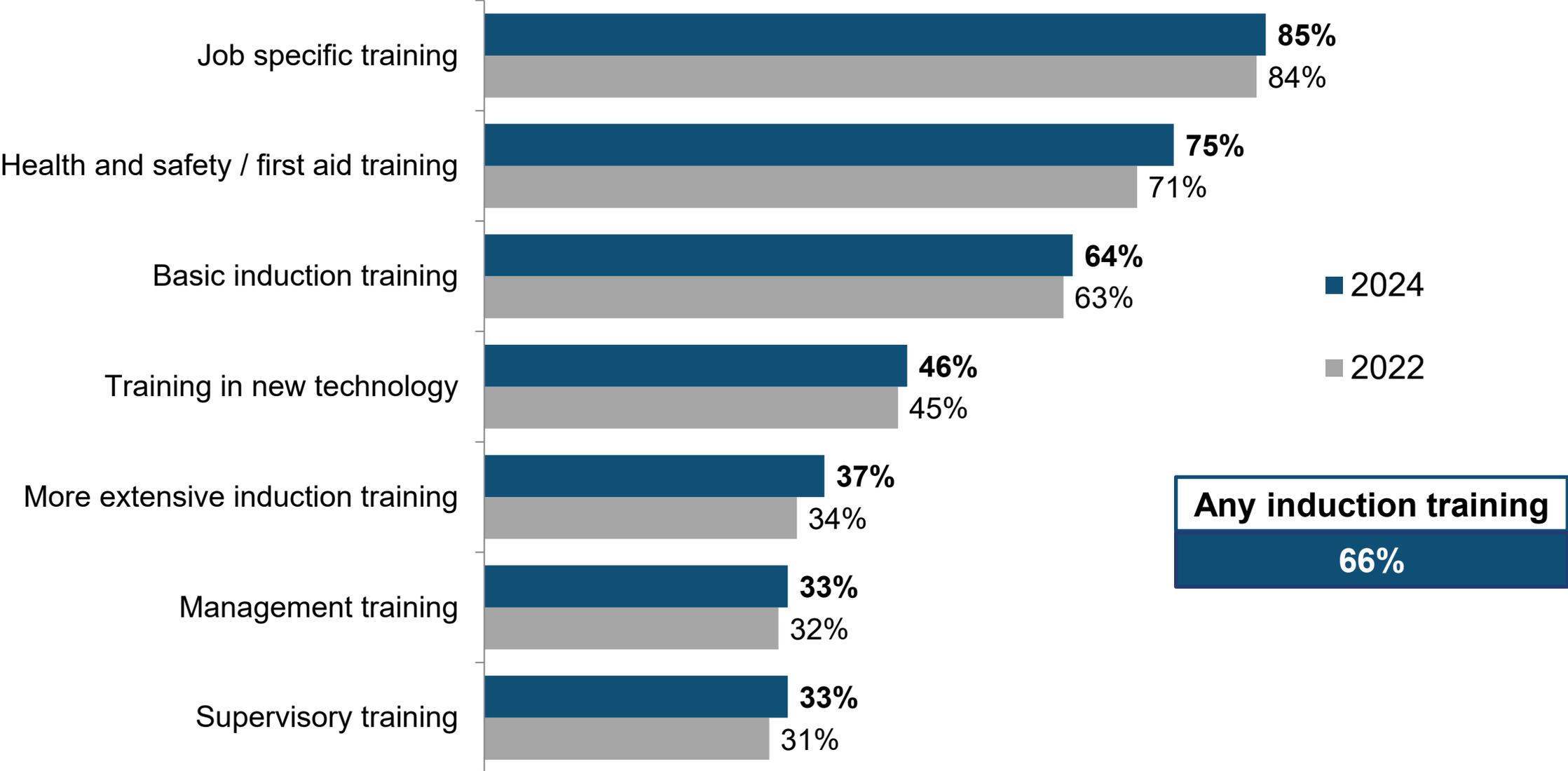
Base: All sites 2024; base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail

As in 2022, Caring, Leisure and Other Services occupations had trained the highest proportion of staff



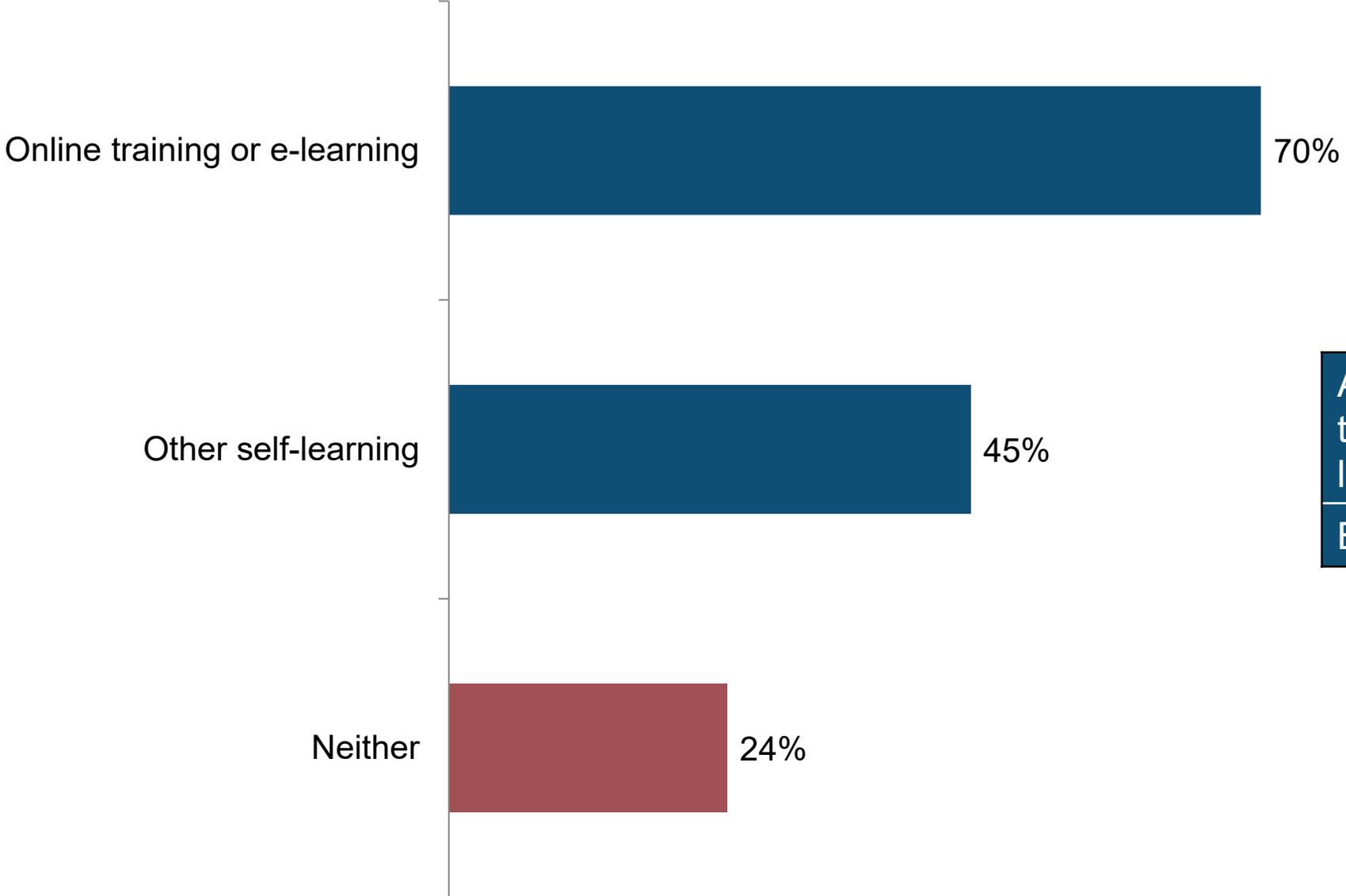
Base: All that employ each occupation (excluding modelled data) (2024 base sizes range from 525 for Associate Professionals to 2,676 for Managers)

Job specific training remained the most common type of training provided to staff



Base: All sites that train (2024: 4,014; 2022: 3,421)

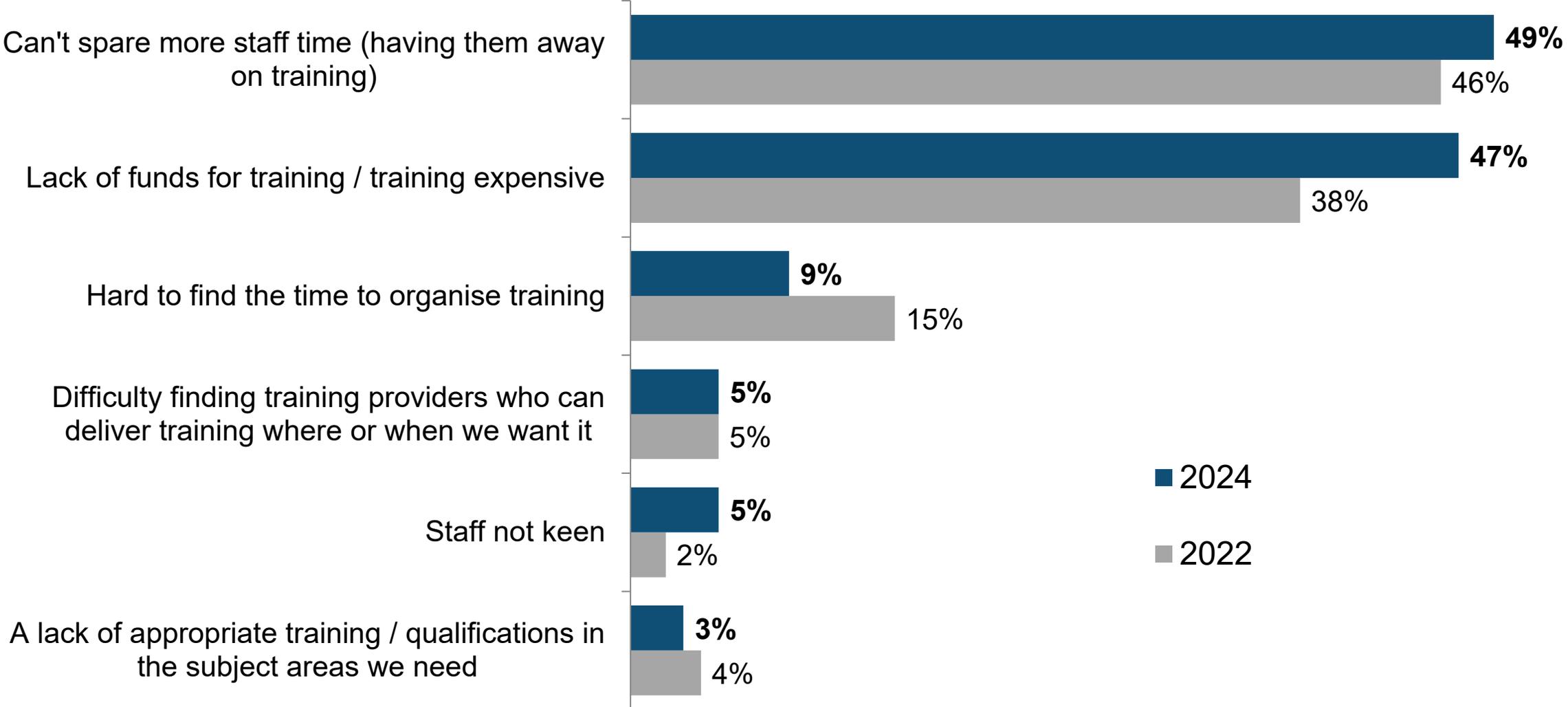
Most sites have provided funding or arranged training for online training or e-learning



Any online training or self-learning	76%
Both	40%

Base: All sites that train (4,014)

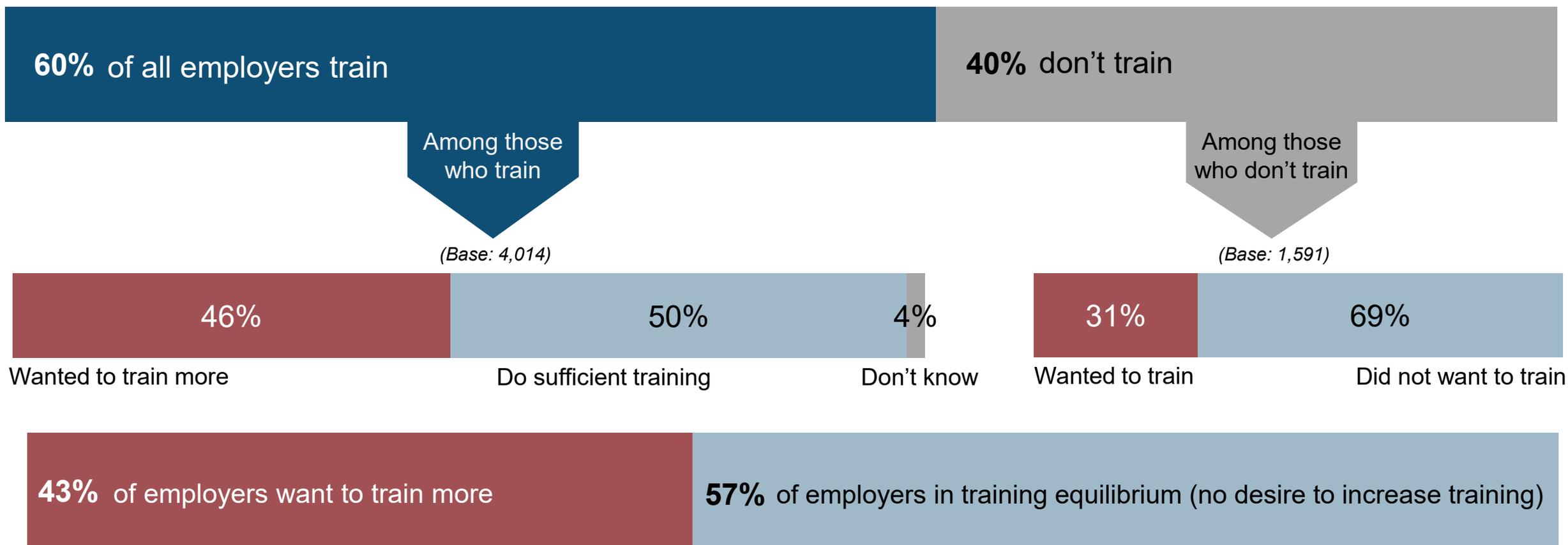
Being unable to spare staff time remains the most common barrier, in line with previous years



Base: All sites who would have provided more training in the past 12 months if they could (2024: 1,977; 2022: 1,743)

The proportion of employers in training equilibrium remained in line with 2022

Training Equilibrium: employers' interest in providing more training than they were able to



*Note training employers responding 'Don't know' (4%) have been included in the group 'Want to train more' on the final measure

Base: All sites (5,605)

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Investment in Training survey

Questionnaire Coverage

- The Investment in Training follow-up survey was conducted with employers who said during the main ESS survey that they had provided training (on- or off-the-job) for their staff in the last 12 months.
- Slides 41 and 42 present findings on employers' overall investment in training, as well as sectoral differences and changes over time.
- Figures from previous Investment in Training surveys have been adjusted for inflation, meaning they may differ from those presented in reports, slide packs or data tables from 2022 or before.

Achieved Interviews

By nation	Number of interviews
Wales	1,507
By sector	Number of interviews
Primary Sector & Utilities	53
Manufacturing	101
Construction	86
Wholesale & Retail	243
Hotels & Restaurants	154
Transport & Storage	44
Information & Communications	26
Financial Services	20
Business Services	242
Public Administration	28
Education	148
Health & Social Work	258
Arts & Other Services	104

Overall investment in training decreased slightly in real terms from 2022 levels

Measure	2011	2013	2015	2017	2019	2022	2024
Total training expenditure	£2.4bn	£2.7bn	£2.9bn	£2.8bn	£2.2bn	£2.5bn	£2.4bn
Off-the-job training	£1.1bn	£1.3bn	£1.5bn	£1.5bn	£1.2bn	£1.1bn	£1.2bn
On-the-job training	£1.4bn	£1.4bn	£1.3bn	£1.3bn	£0.9bn	£1.5bn	£1.2bn
Training spend per trainee[^]	£3,700	£3,800	£3,800	£4,000	£2,700	£3,200	£2,900
Training spend per employee[^]	£2,100	£2,300	£2,400	£2,300	£1,700	£2,000	£1,900

Figures from 2011-2022 have been adjusted for inflation. ^ denotes where figures have been rounded to the nearest hundred.

Investment in Training – breakdown by sector

	Total training expenditure		Training spend per trainee [^]		Training spend per employee [^]	
	2022	2024	2022	2024	2022	2024
Wales	£2.5bn	£2.4bn	£3,200	£2,900	£2,000	£1,900
Primary Sector & Utilities	£50m	£120m	£3,200	£5,200	£1,300	£2,300
Manufacturing	£550m	£610m	£6,400	£8,900	£3,600	£4,700
Construction	£100m	£150m	£4,000	£4,400	£1,900	£2,500
Wholesale & Retail	£270m	£190m	£2,900	£1,900	£1,400	£1,100
Hotels & Restaurants	£170m	£180m	£2,500	£2,600	£1,600	£1,600
Transport & Storage	£130m	£80m	£5,900	£3,200	£3,400	£1,800
Information & Comms.	**	**	**	**	**	**
Financial Services	**	**	**	**	**	**
Business Services	£360m	£250m	£3,000	£2,100	£2,000	£1,500
Public Administration	**	**	**	**	**	**
Education	£350m	£260m	£3,900	£2,700	£3,100	£2,100
Health & Social Work	£330m	£360m	£2,000	£1,800	£1,500	£1,600
Arts & Other Services	£100m	£80m	£3,100	£2,700	£1,900	£1,600

Figures from 2011-2022 have been adjusted for inflation. Figures for Financial Services (20), Public Admin (28) and Information & Communications (26) not charted due to low base size. ^ denotes where figures have been rounded to the nearest hundred.

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Apprenticeships

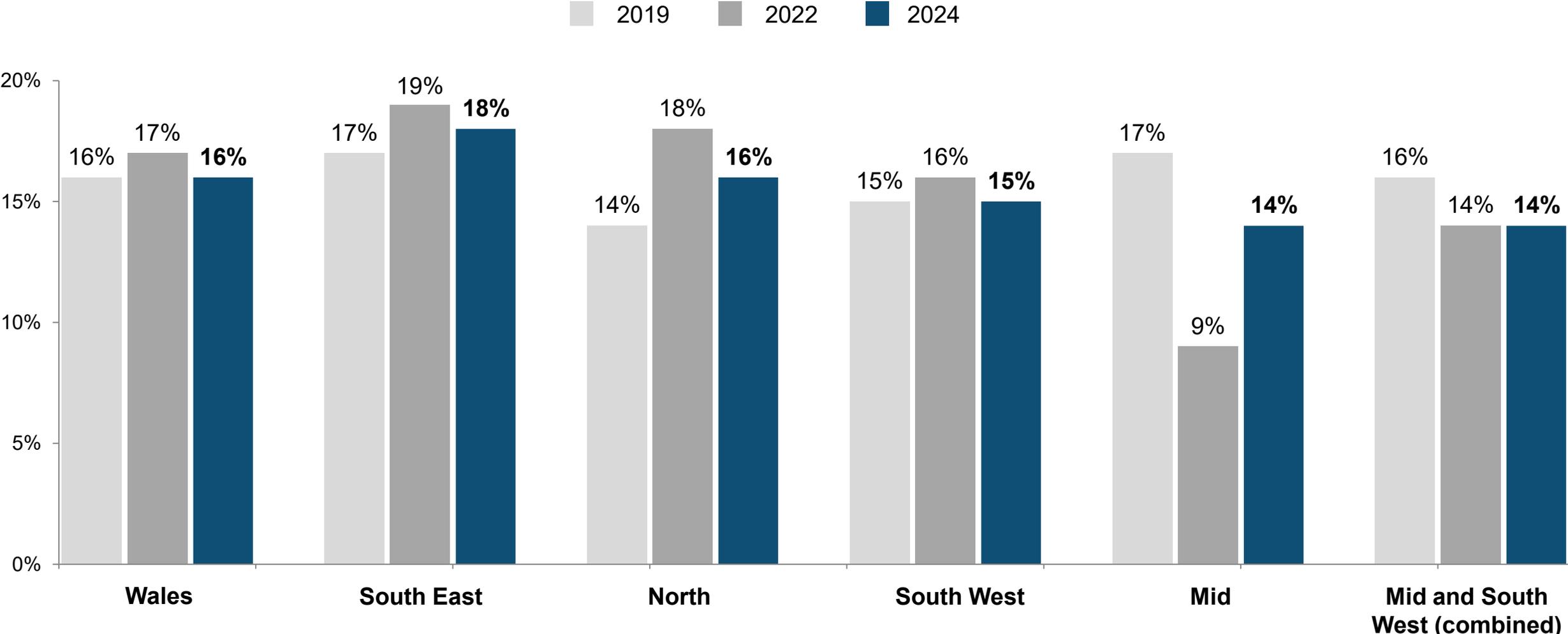


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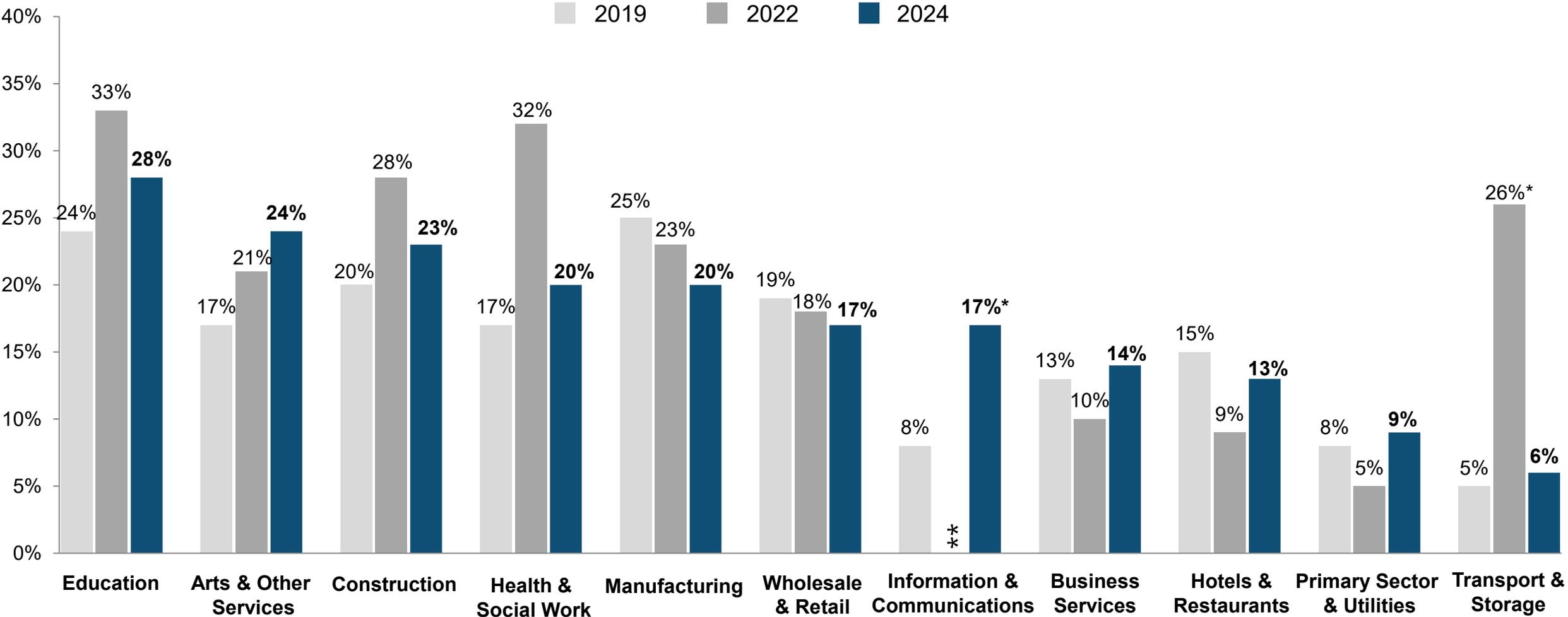
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The proportion of employers who offered apprenticeships was similar to previous years across the Welsh regions



Base: All sites in Wales (Module A) 2024: 1,379; 2022: 1,239; 2019: 1,704. 2024 regional base size ranges from 181 in Mid Wales to 568 in South East Wales.

Employers in the Education sector were most likely to offer apprenticeships, while the Transport and Storage sector saw the greatest decrease

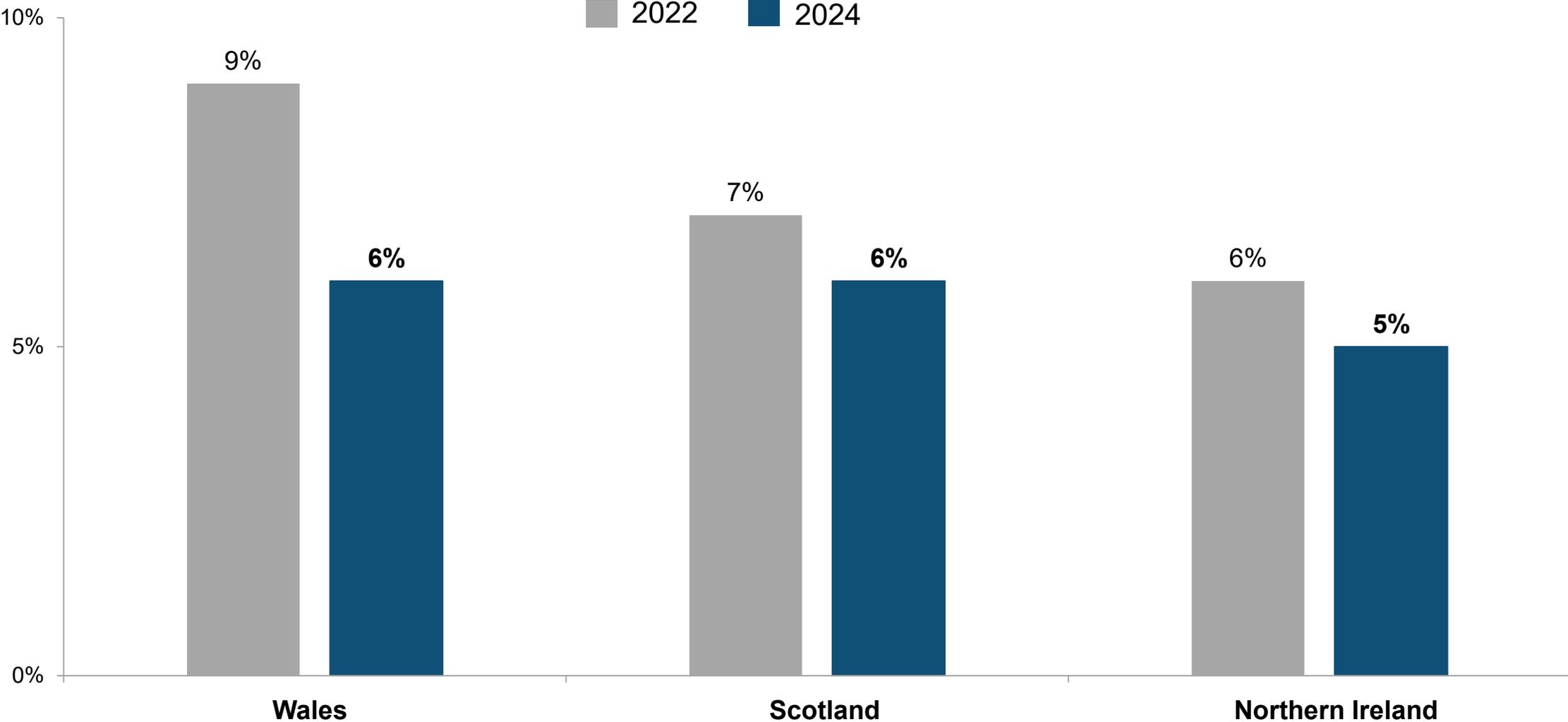


Base: All sites (Module A): 2024: 1379 (2022: 1,239; 2019: 1,704). 2024 base sizes range from 33 in Information and Communications to 269 in Wholesale and Retail; **Information and Communications (2022: 20), Financial Services (2024: 14) and Public Admin (2024: 29)** are not charted due to low base sizes. **Where base sizes are between 30 and 49, an asterisk has been included next to the data value.**

High Performance Working Practices

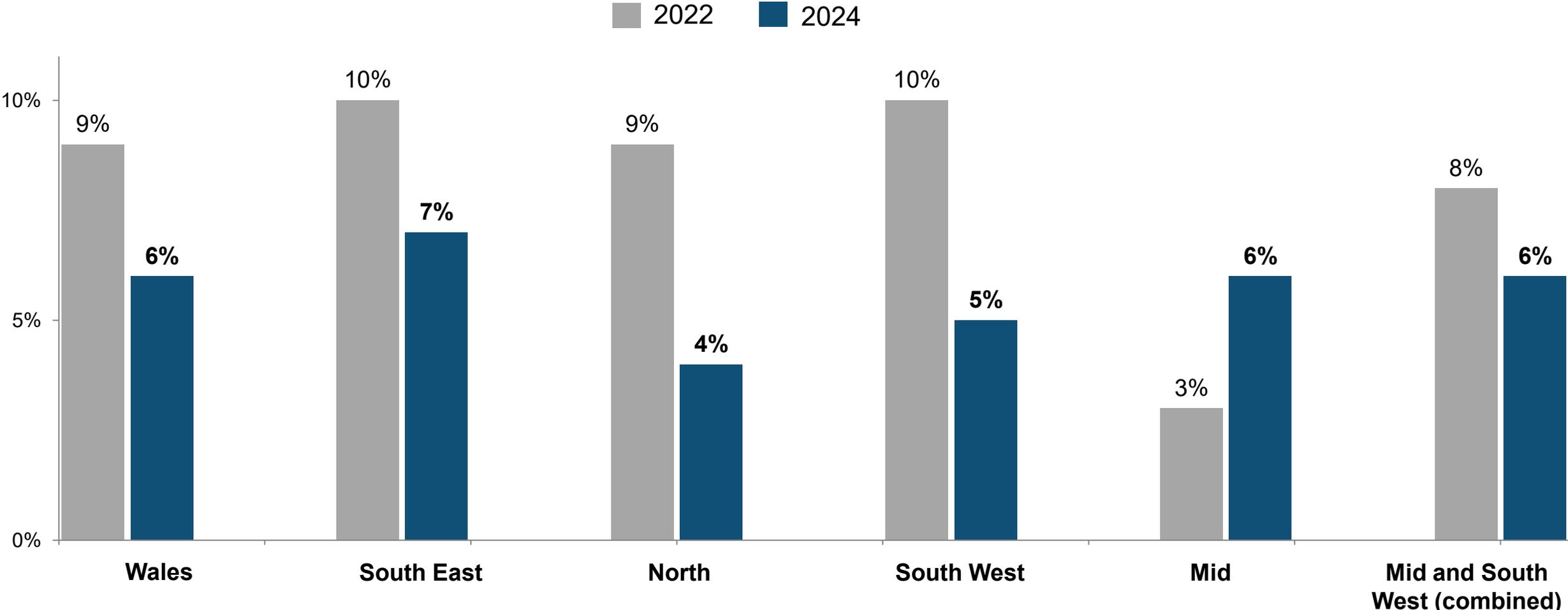
High Performance Working (HPW) practices are practices recognised to ensure employee skills are harnessed, nurtured and used to their best effect

Overall, 6% of sites adopted seven or more HPW practices in Wales, in line with Scotland and Northern Ireland



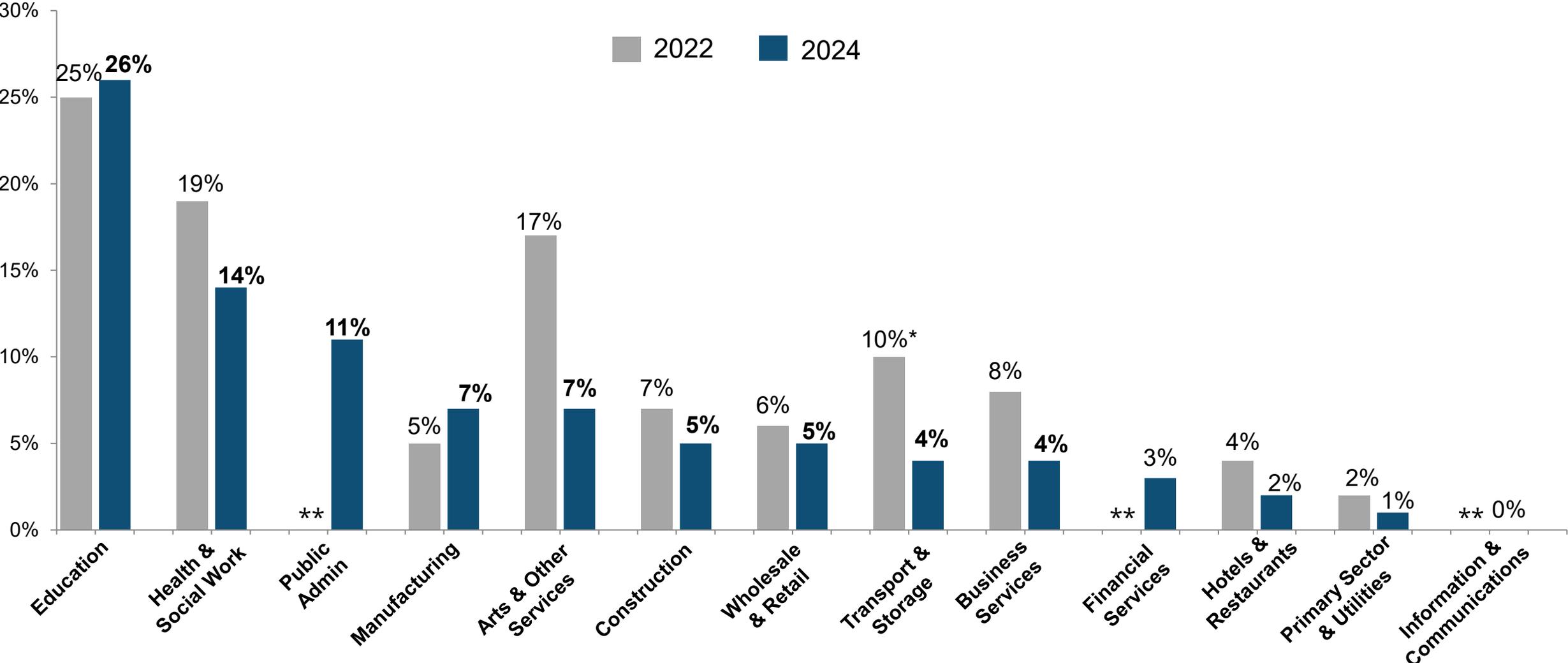
Base: All sites in Scotland, NI, and Wales (2024: 14,073; 2022: 13,432) All sites 2024: Northern Ireland: 3,388; Scotland: 5,080; Wales: 5,605.

Employers in South East Wales were more likely to be HPW employers than those in other Welsh regions, while those in North Wales were less likely



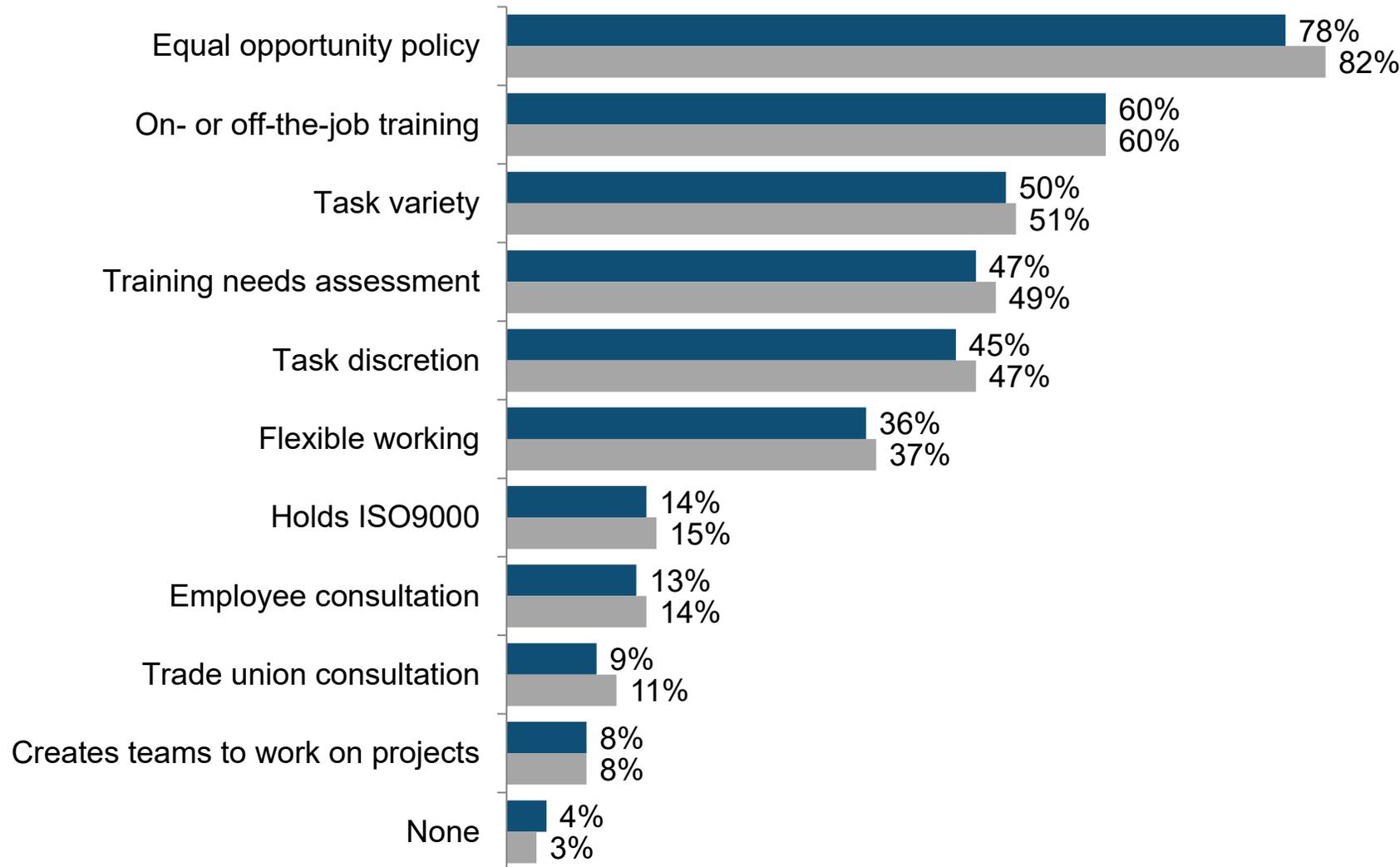
Base: All sites in Wales 2024: 5,605; 2022: 1,153. 2024 regional base size ranges from 717 in Mid Wales to 2,310 in South East Wales.

Employers in the Education sector were most likely to be HPW employers, as in 2022



Base: All sites (Module D): 2024: 5,605 (2022: 1,153). 2024 base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail; **Figures for 2022 for Financial Services (2022: 12), Information and Communications (2022: 20), Public Admin. (2022: 20) are not charted due to low base sizes. Where base sizes are between 30 and 49, an asterisk has been included next to the data value.**

Having an Equal Opportunity Policy remains the most prevalent High Performance Working Practice (HPW) in 2024



6%
 were HPW employers
 (defined as having 7 of 10
 HPW measures in place)

4 practices
 was the average number of
 HPW practices adopted

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Artificial Intelligence

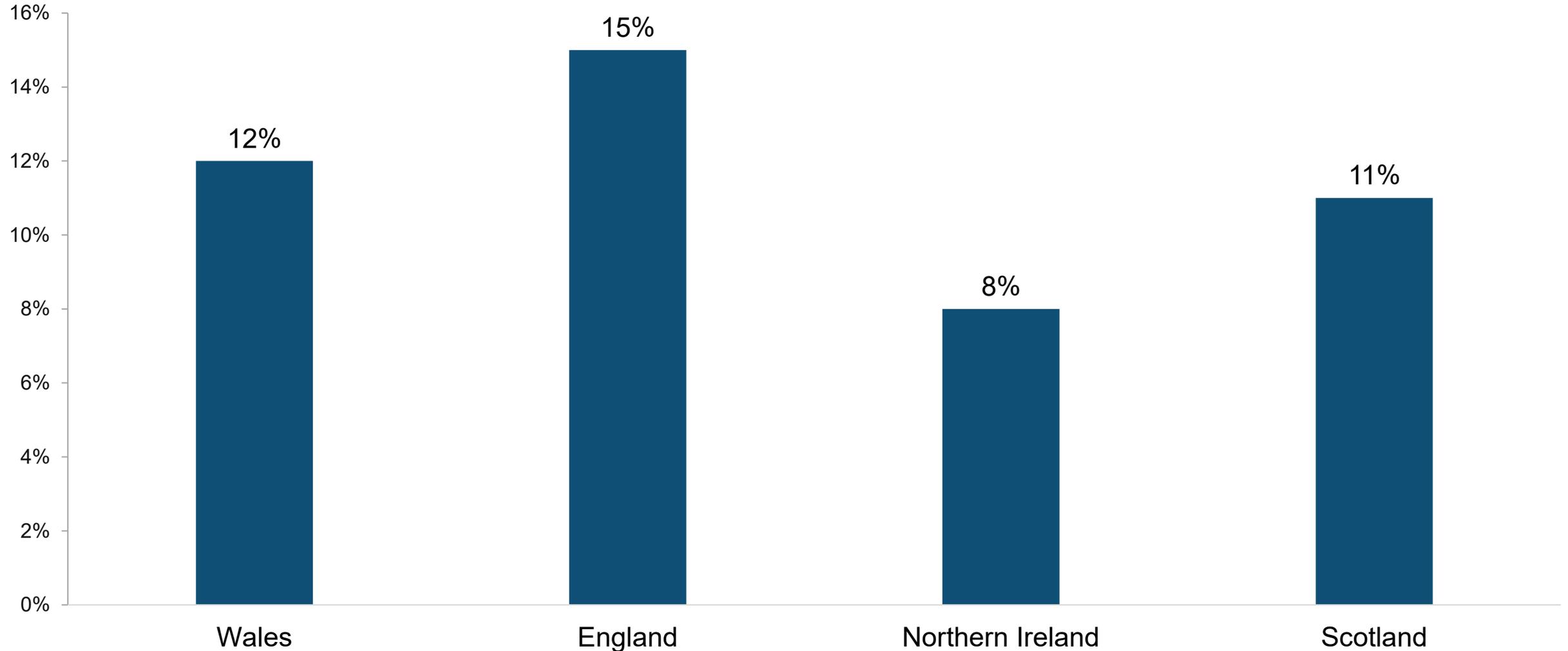


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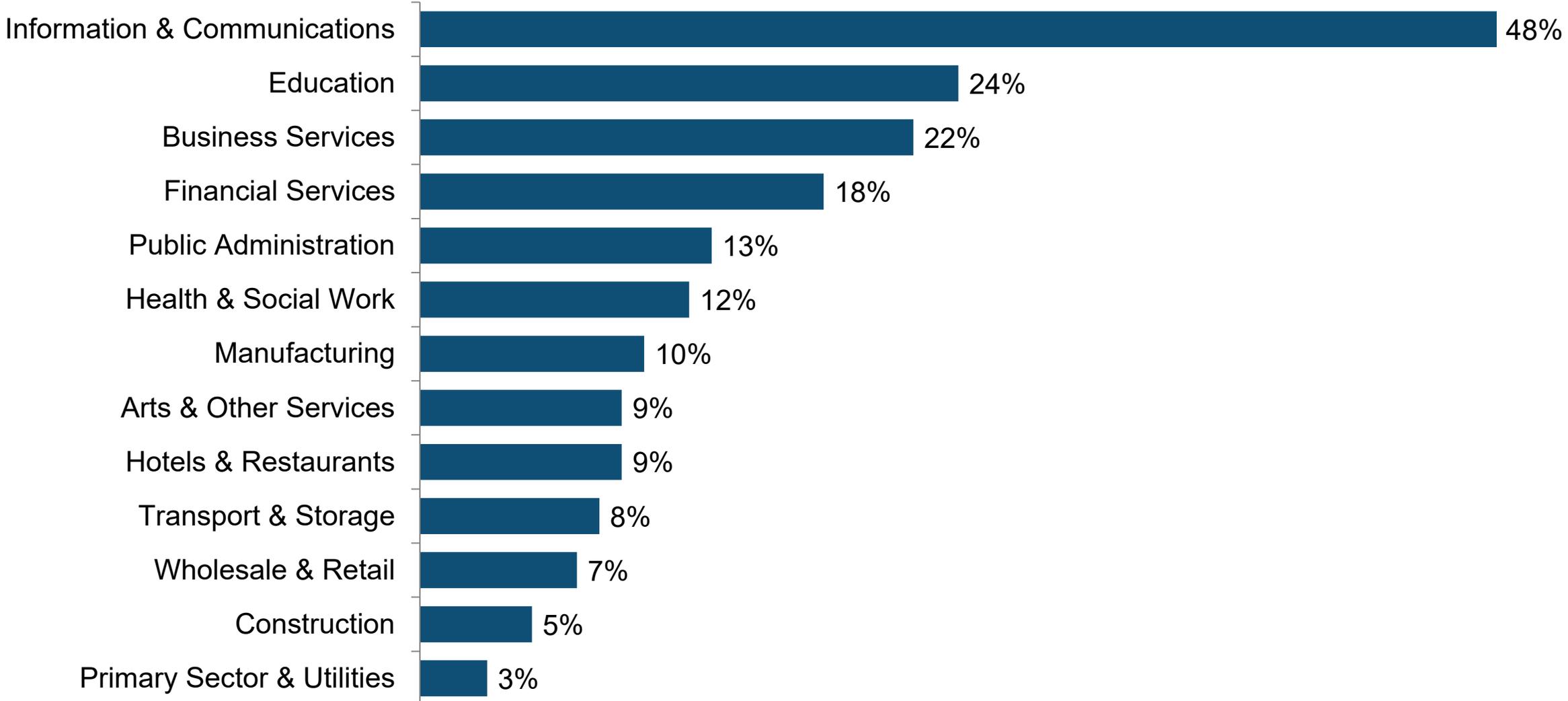
IFF Research

Employers in Wales were less likely than employers in England to use AI, but more likely than those in Northern Ireland



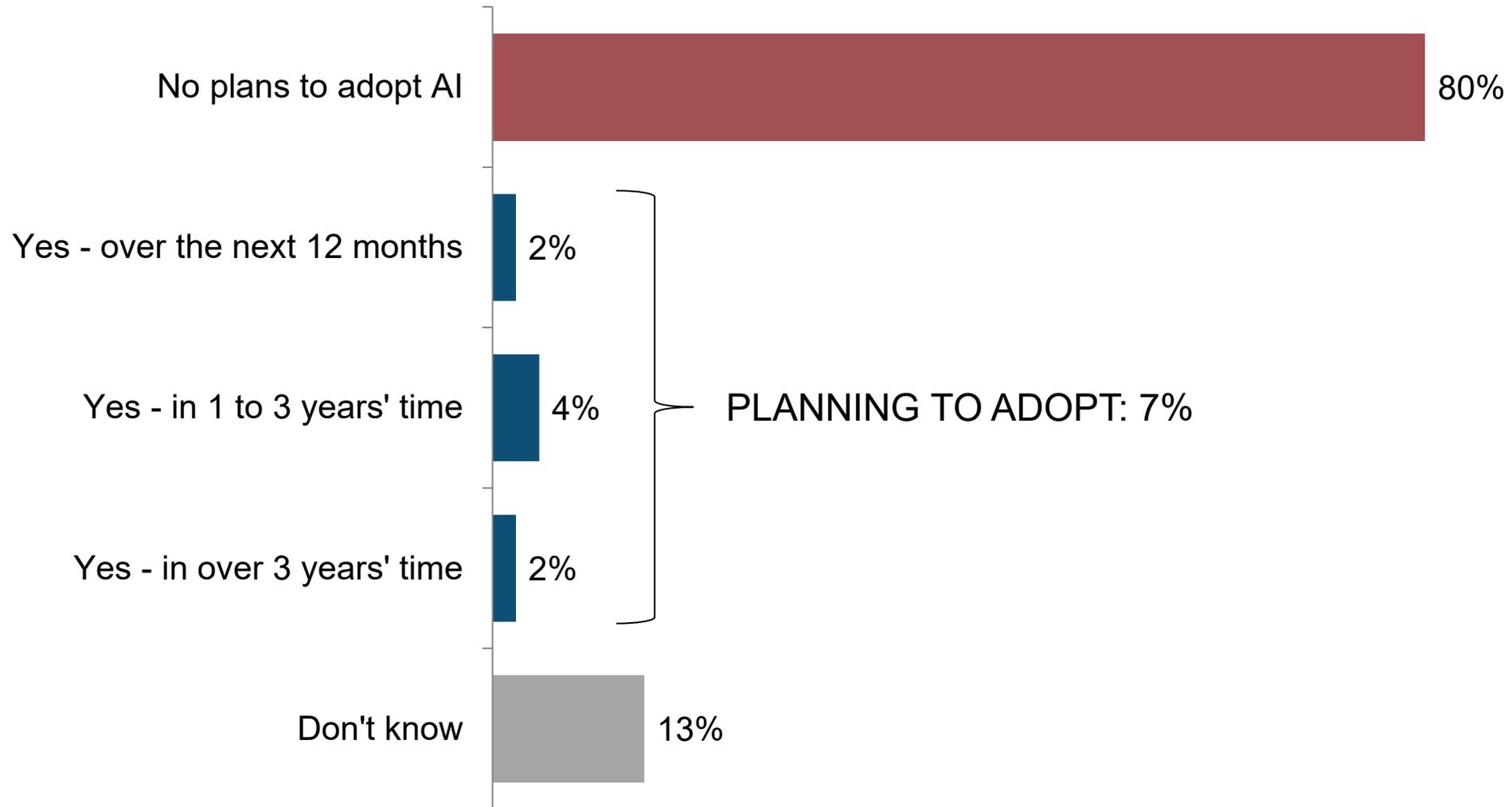
Base: All sites: Wales: 5,605; England: 8,639; Northern Ireland: 3,388; Scotland: 5,080.

The Information & Communications sector was notably more likely to use AI than other sectors



Base: All sites (base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail)

Most sites not using AI had no plans to do so in the future



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Net Zero

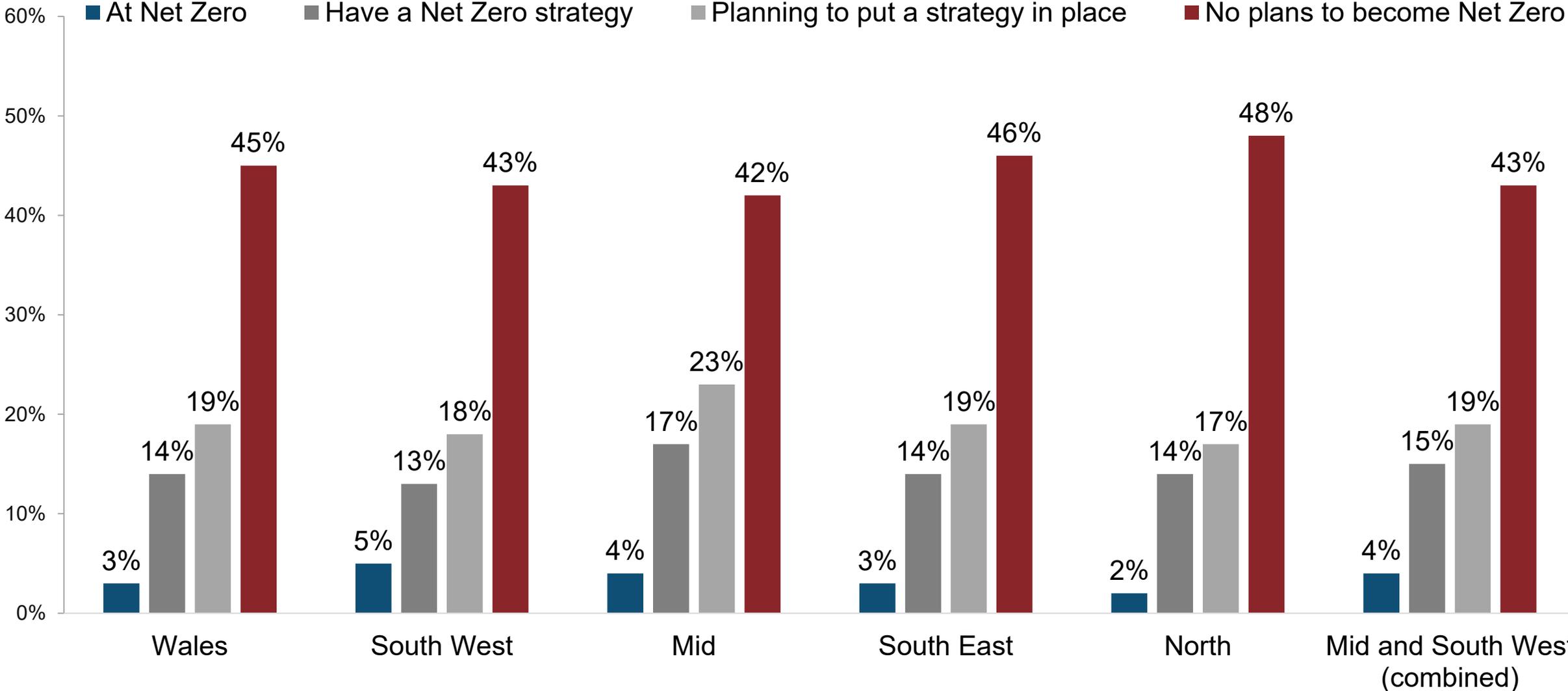


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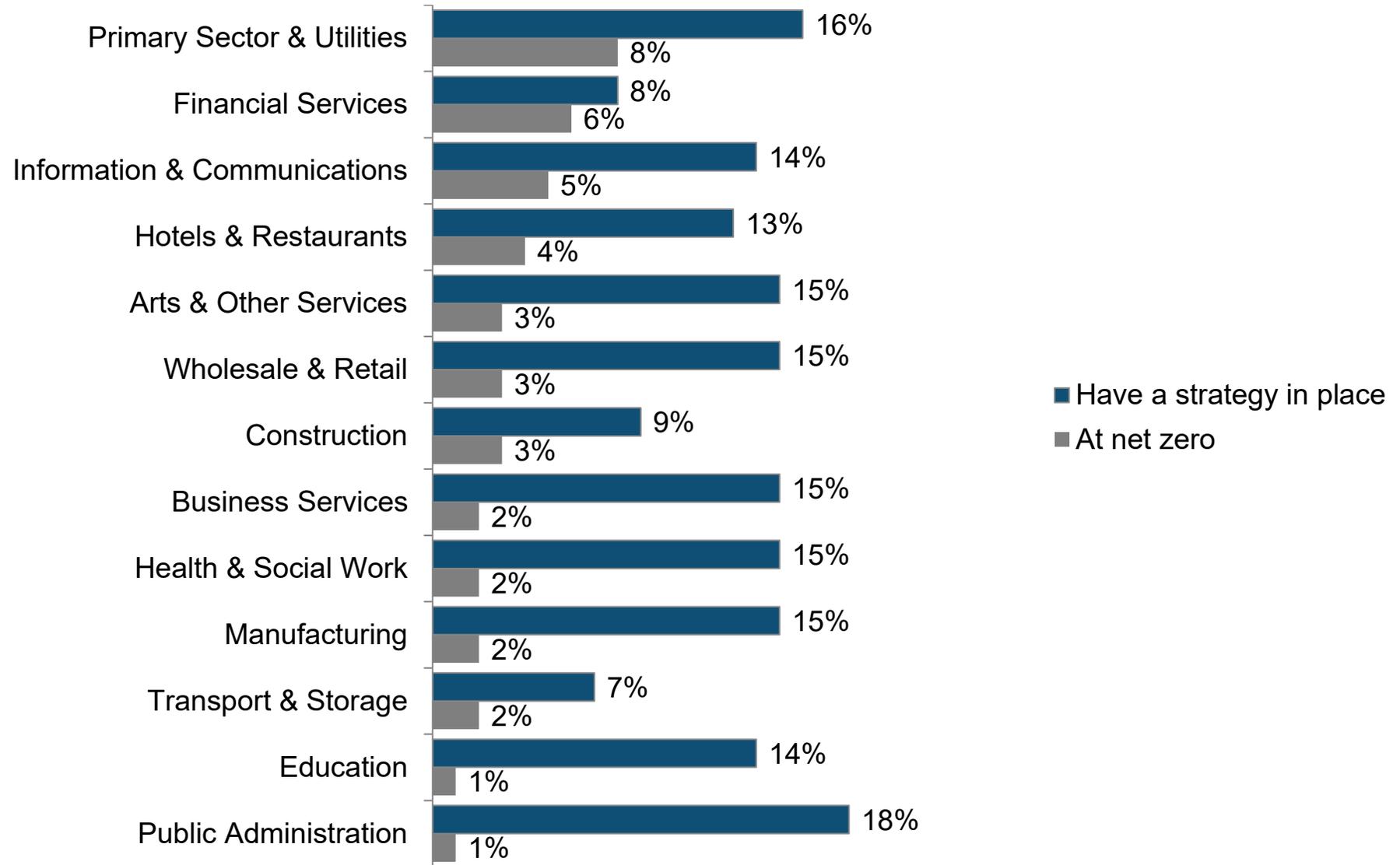
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Employers in South West Wales were most likely to be at Net Zero and employers in North Wales were the least likely



Base: All sites in Wales (5,605). Regional base size ranges from 717 in Mid Wales to 2,310 in South East Wales.

The Primary Sector & Utilities sector was more likely to be at Net Zero while the Public Administration sector was most likely to have a strategy in place



Base: All sites in Wales (5,605). Sector base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail)

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Summary and conclusions



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Summary of Findings

- ESS 2024 found a lower **proportion of employers had vacancies** (17% vs. 22% in 2022). The **incidence of SSVs also decreased**, down from 10% in 2022 to 6% in 2024. There were 10,100 SSVs in 2024, **roughly half the volume in 2022** (20,600) but in line with 2019 (9,800) and 2017 (9,900) levels. The **density of SSVs decreased too** (28% vs. 35% in 2022). The highest SSV densities were recorded in the Manufacturing (54%) and Construction sectors (53%), and the lowest in Wholesale and Retail (17%).
- **Almost all (95%) employers that exclusively had SSVs said these had an impact on their organisation.** The most common impact of SSVs was increased workloads for existing staff (90%), followed by increased operating costs (55%) and difficulties meeting customer services objectives (52%).
- In terms of internal skills challenges, **the proportion of employers reporting skills gaps (12%) decreased** from 14% in 2022, returning to 2019 levels (13%). However, the proportion of the workforce with skills gaps remained stable (3.9% vs. 4.1% in 2022).
- In 2024, skills gap density was highest in the **Financial Services** sector (6.8%), while by occupation the greatest challenges were in labour-intensive roles, particularly **Elementary** occupations (6.2%), whereas **Managers** (1.5%) and **Professionals** (2.6%) had the lowest levels of skills gaps.
- A large proportion of skills gaps were caused, at least in part, by transient causes such as being new to the role (71%) and employees not having completed their training yet (59%). As was the case for SSVs, **increased workloads were the most common impact of skills gaps** (50%), although this was lower than 2022 (56%).

Summary of Findings - 2

- The **proportion of employers providing training has remained similar** to 2022 (both 60%), while the number of training days each trainee received (6.6 days) was also in line with 2022 (6.8 days).
- **Nearly two-thirds** (64%) of staff **had received training**, in line with 2022 (63%). Employers in Financial Services (90% vs. 57% in 2022) and Health & Social Work (88% vs. 76%) saw the greatest increases in the proportion of staff trained. Caring, Leisure and Other Services occupations remained the most likely to have been trained (87%).
- **Total employer expenditure on training decreased from £2.5bn in 2022 to £2.4bn in 2024**, representing a 6% decrease in real terms.
- Overall, **16% of employers currently had, or offered apprenticeships**, similar to 17% in 2022. The sectors most likely to offer apprenticeships were **Education** (28%) and **Arts & Other Services** (24%).
- **Almost half (45%) of employers** have no plans to become net zero. The least most likely region to implement these plans was North Wales (48%). The **Primary Sector & Utilities (8%)** sector was the most likely to be at net zero compared to other sectors.
- **Around one in eight (12%) of employers used AI**, with employers in the Information and Communications sector by far the most likely to do so (48%). Among those who did not use AI, the vast majority (80%) had no plans to do so.
- **6% of employers in Wales were considered High Performance Working employers**. The most common HPW practice was having an equal opportunity policy (78%), followed by providing on- or off-the-job training (60%).

Conclusions

- Compared with 2022, there has been a cooling of the labour market after a rapid increase in vacancies as the Welsh economy emerged from the COVID-19 pandemic period. Vacancies have decreased, returning to levels previously seen in 2015 and 2017. The challenge around the skills supply has lessened, though the proportion of all vacancies that are SSVs remains above the level seen in 2019.
- Focusing on the internal skills challenge, while a lower proportion of employers had experienced skills gaps compared with 2022, this had not led to a notable reduction in the proportion of employees with skills gaps, suggesting skills gaps are more heavily concentrated among a smaller number of employers.
- As in previous editions of the ESS series, challenges in recruiting suitably skilled workers and addressing skills gaps among existing staff continue to hinder business performance. This places additional strain on current employees, drives up operational costs, contributes to lost business opportunities, and limits the adoption of new products and working practices.
- Training and workforce development provide a vital means of addressing skills issues within the workforce. A notable decline was seen in 2022 in the proportion of employers in Wales (and across the UK) providing training for their staff compared with the years 2015 and 2019. The latest findings on training incidence are consistent with 2022, suggesting that a lower level of employer engagement in workforce training may be becoming the norm.
- Financial investment in training also fell 6% in real terms compared with 2022. Despite some concerning patterns, the proportion of staff trained in Wales and the number of training days being provided to staff has remained at stable levels (the former being higher than other UK nations), while also the reduction in overall training expenditure was less pronounced than in England, which saw an 11% decrease year-on-year.