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Y Dirprwy Weinidog Sgiliau a Thechnoleg
Deputy Minister for Skills and Technology



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MB/JJ/2472/15

William Graham AM
Chair, Enterprise and Business Committee
committeebusiness@wales.gsi.gov.uk

23 June 2015

Dear William,

During the Enterprise and Business Committee meeting on 11 June I agreed to provide further information to support the discussion into the Framework for Co-investment in Skills. Specifically the Committee requested further information on:

- A map showing the whole of the Welsh Government's investment and support for apprenticeships and training across each Ministerial portfolio and a timescale for the delivery of this map.
- UKCES' Employer Skills Survey.

In regard to the skills investment map, officials are working to produce detail of the investment and support being provided for apprenticeships and training across Welsh Government departments. This information will be forwarded to the Committee on or before 10 July.

A copy of the Employer Skills Survey (ESS) 2013: Wales Report is attached for information. The report provides key information on employer demand for labour, skill deficiencies, levels of investment in training and workforce development. It surveyed 91,279 establishments across the UK, of which 5,996 were based in Wales. The survey allows analysis and comparison between the four nations of the UK on the skills challenges faced by employers and the training activity in which they engage. The survey builds on the first UK Employer Skills Survey, identifying trends from 2011.

Results from the survey have formed part of the evidence base supporting key policies such as the Policy Statement on Skills. They have also been used to underpin the Framework for Co-investment in Skills as well as key components in the Skills Performance Measures, providing the basis for delivering our ambition for skills in Wales.

To further aid the work of the Committee, I would like to draw your attention to some of the key findings in the report that relate to co-investment:

- Most employers in Wales arrange or fund training for their staff: over three-fifths had done so in the previous 12 months (62 per cent), a figure in line with 2011 (63 per

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cent) but still lower than in the UK as a whole, where the figure was 66 per cent. This leaves 38 per cent of employers in Wales who do not fund or arrange training for their staff. Training was more common in south east Wales, where 67 per cent of establishments had provided any training for staff.¹

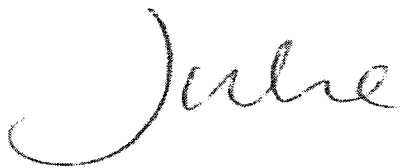
- The likelihood of providing training increases with employer size, and is almost universal in establishments with 25 or more staff. Among the very smallest sites, employing 2-4 staff, just under half had provided any training (46 per cent, significantly lower than found across the UK as a whole for this size of establishment (52 per cent)), rising to just over three-quarters (78 per cent) among those with 5-24 staff until almost all (98 per cent) employers with 100 or more staff provided training.
- The proportion of the workforce receiving training in Wales has increased substantially from 56 per cent in 2011 to 62 per cent in 2013 (this increase was seen UK-wide as well), and employees in Wales are just as likely to receive training as their counterparts in the rest of the UK.
- Each person trained in Wales received a similar number of training days over the last 12 months as was found in the 2011 survey at 7.7 days per trainee – a trend not mirrored in the UK as a whole, where training days per person trained fell from 7.8 days in 2011 to 6.7 in 2013.
- The proportion of establishments training an employee to a nationally recognised qualification increased significantly from 29 per cent in 2011 to 33 per cent in 2013, a larger increase than that seen across the UK. Employers in Wales were slightly but significantly more likely to train staff to nationally recognised qualifications than employers in the UK as a whole (31 per cent).
- The total investment in training in Wales increased slightly from £1.5bn to £1.6bn; this runs contrary to the decrease seen across the UK as a whole (from £45.3bn to £42.9bn). The increase in Wales was driven by increased investment among smaller establishments. Among those with less than 25 employees, there was a 24 per cent increase in training spend.
- Less was spent in Wales per trainee and per employee than in the UK (£2,180 and £1,350 in Wales compared to £2,550 and £1,590 in the UK). However, the gap in spending between Wales and the UK decreased since 2011 (from around £800 to £370 per trainee and from around £400 to £240 per employee). This is partly due to falls in spending at the UK level and only a minor fall in Welsh spend per trainee and an increase in spend per employee.
- A large component of the overall training expenditure figure is the wages of staff being trained, indeed this accounts for just over two-fifths (43 per cent) of all training expenditure (similar to the 48 per cent in 2011, but much lower than the 50 per cent found UK-wide). The wages / salaries of those providing on-the-job training also account for around a fifth (21 per cent) of all training expenditure. In comparison relatively little is spent on payments to external training providers (seven per cent of total investment in training, similar to the nine per cent in 2011).

¹ In addition to 'formal' on- or off-the-job training, employers can develop their staff in more informal ways. Employers were asked whether they had undertaken three specific activities in the last 12 months to aid the development of employees: supervision to guide employees through their job role; providing staff with opportunities to spend time learning through watching others perform their role; and allowing staff to perform tasks that go beyond their strict job role and providing feedback on how well they have done. The vast majority of employers in Wales had provided at least one of these wider development opportunities for their staff in the last 12 months (81 per cent, significantly lower than the 85 per cent found UK-wide).

- Most employers in Wales could be described as being in “training equilibrium”, that is, they were able to provide the amount of training they wanted. This includes employers who had delivered no training because they had “no need for it”. Believing all staff to be fully proficient at their job roles was by far the most common reason given for not providing any training. However, half of all training employers (50 per cent) would have liked to have provided more training than they were able to provide to staff. Lack of time and lack of funds were the most common barriers to providing more training. A lack of suitable provision was rarely mentioned.

I hope that the Committee finds this information useful.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Julie'.

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