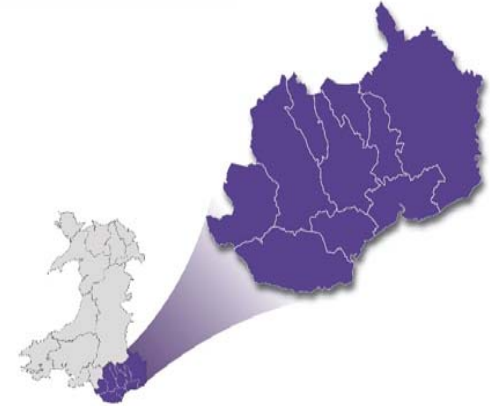


South East Wales – Background

- 3 Enterprise Zones – Great Western Cities – Cardiff Capital Region
- South East Wales GVA £18,136/head (77.5% of UK)
- 25% of the £40 billion Wales Infrastructure Investment Plan
- Priority Sectors generate £8b (SEW) - Foundational economy £10b
- 49 Anchors & RICs in SEW from over 200 large company units in all sectors (250+)
- Every Unitary Authority has at least 10 large companies

- Significant regional challenges across 10 Local Authorities:
 - e.g. weekly pay Merthyr Tydfil £478/wk (89%) - Cardiff £576/wk (107%)
 - Current youth unemployment of over 20% in RCT, Blaenau Gwent, Torfaen

- UKCES forecast by 2020 - 13.5m vacancies v. 7m entering the workforce from education



Demand/Supply Assessment – 2016-17 focus

Sectors and Replacement jobs + Growth & Innovation – 2020

AMM (33K) – ICT (15K) – FPS (31K) – CON (20K)

Cross-Sector Supply to include Foundational Economy Sector/s
www.lskip.wales

Targeted jobs growth Wales Infrastructure Investment Plan (WIIP)

Phase one: Skilled workforce largely construction

e.g. Heads of Valleys A465, M4, Cardiff Airport/ 5 Mile Lane

Phase two: Skilled employment from secondary exploitation

e.g. *Superfast Cymru – Broadband (96% of premises)*

How can we do better establishing the employment impact of investment with lead time to influence skills & training provision?

Replacement jobs: 8 vacancies for every 1 new growth job - UKCES forecast 2020

UKCES Replacement Demand and Expansion Demand Estimated for South East Wales ignoring labour movement and occupational change - overall requirement 2020 (000s)

By Region and Occupational Group	Group 1: MANAGERS, DIRECTORS AND SENIOR OFFICIALS	Group 2: PROFESSIONAL OCCUPATIONS	Group 3: ASSOCIATE PROFESSIONAL AND TECHNICAL OCCUPATIONS	Group 4: ADMINISTRATIVE AND SECRETARIAL OCCUPATIONS	Group 5: SKILLED TRADES OCCUPATIONS	Group 6: CARING, LEISURE AND OTHER SERVICE OCCUPATIONS	Group 7: SALES AND CUSTOMER SERVICE OCCUPATIONS	Group 8: PROCESS, PLANT AND MACHINE OPERATIVES	Group 9: ELEMENTARY OCCUPATIONS	
	1	2	3	4	5	6	7	8	9	All
Wales	32	64	35	27	40	33	28	16	30	305

Demand and Supply - Background

UKCES forecasts suggest by 2020

Over 50% of the workforce to be qualified at Level 4+ (2x 2002)

Over 30% of the workforce qualifications Level 2 or under (1/2x 2002)

13.5m vacancies v. 7m entering the workforce from education (UK)

Ageing Welsh workforce with over 25% aged 50+

Large percentage of unemployed in SEW are aged 50+

A significant % of the workforce that needs training to meet demand in 2020 both upskilling and reskilling...

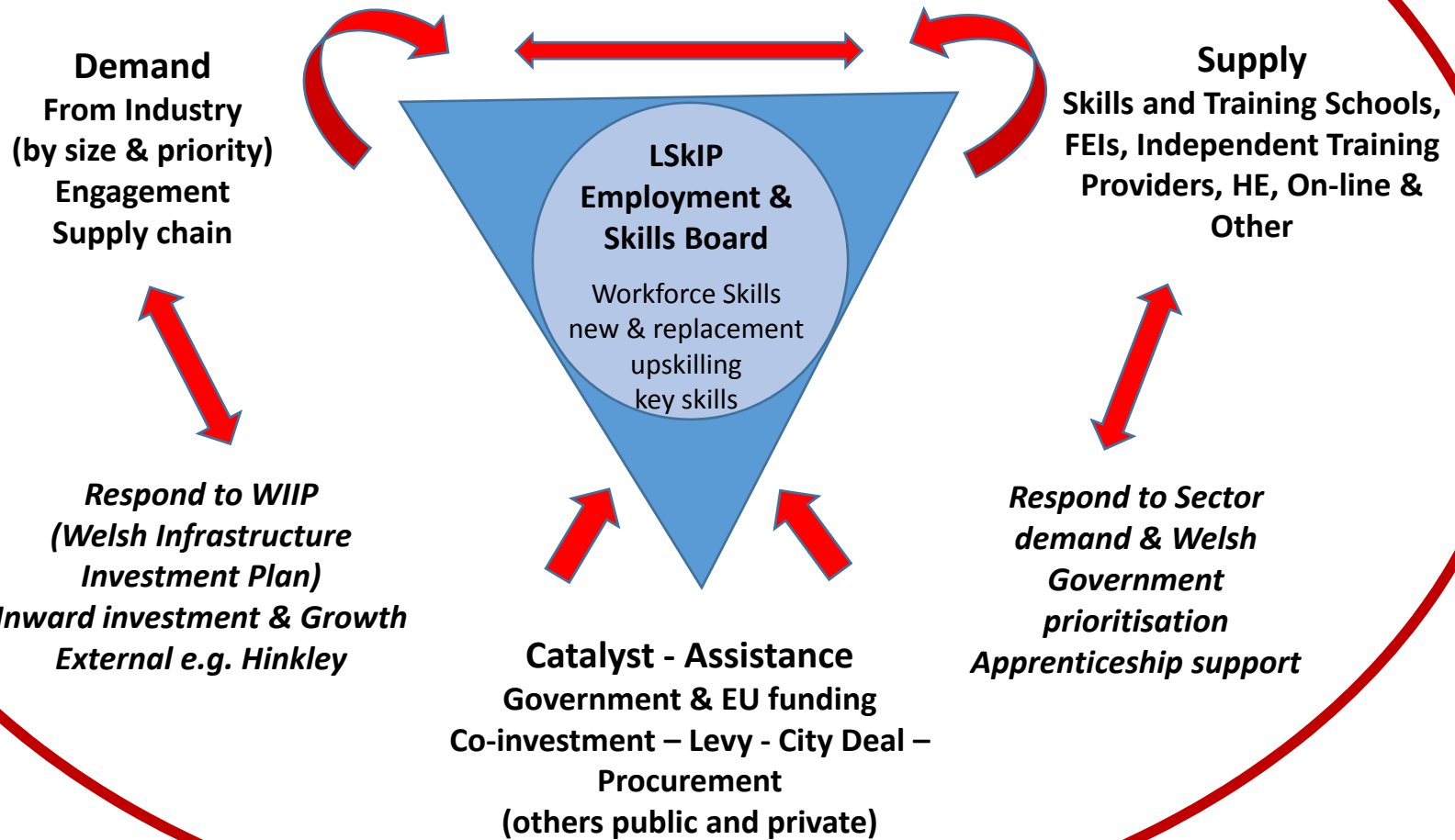
Mismatches and challenges

- Current focus on Growth and Innovation in Priority Sectors
 - 90% of vacancies will be in Replacement Jobs driving skills demand to 2022
 - 50% of employment in SEW is in Foundational Economy (not in a priority sector)
- Skills and Training delivery tends to be driven by student/learner demand
 - High numbers of learners engage in subjects with limited opportunity
 - Significantly less learners engage in subject areas of greatest need
 - Labour market skills demand is clear e.g. STEM, ICT and vocational

Are all industry sectors effective in attracting students to the best career path?

Is there sufficient industry engagement with schools, FE, HE and ITPs?

Strategic Engagement Skills Demand & Training Supply



Strategic collaboration - Mittelstand

An effective use of knowledge in the policy-making process requires appropriate mechanisms for dialogue and co-ordination within and across levels of government, together with public and private spheres. Source OECD

- Joined-up engagement – maximise benefits and outputs
- Facilitate building of clusters – both sector demand and skills supply
- FE – Colleges multiple campuses and Independent Training Providers
- HE – Cardiff University, Cardiff Metropolitan University, University of South Wales
- Digital on-line Virtual learning spaces e.g. Open University (OU)
- Establish/support specialist sector skills training hubs – virtual academies

Anchors and RICs direct research

WG received a response from just 10 companies in SEW

- Employment growth 1000+ by 2018
- 48% entry level, 30% skilled technician, 22% team leader/manager
- 4 companies indicate zero growth or replacement
- 6 companies indicate current skills shortages (>50% sector related)
- 5 companies indicate continued skills shortages
- 8 companies train in-house – 3 companies use private provider
- 0 companies reported using FE training (inc. apprentices) *this is wrong*
- 3 companies collaborate with others on training – 7 reported not
- 5 companies reported sector engagement 5 reported not

n.b. With a small sample response – even as a snapshot – it would be easy to draw false conclusions

Thank you / Diolch

Questions?

Karen.Higgins@wlga.gov.uk

Richard.Staniforth@wlga.gov.uk