



Llywodraeth Cymru
Welsh Government

Welsh Government Evidence Paper - Skills

03/07/2025

The Economy, Trade and Rural Affairs Committee has invited the Minister for Culture, Skills and Social Partnership to attend a general scrutiny session on Skills on 17 July 2025. This paper is intended to inform the discussion, providing an update on policy developments in this area, and actions the Welsh Government has taken to improve skills across Wales.

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1. Introduction

- 1.** Skills policies aim to address situations where the skills of the workforce do not align with the needs of employers. In Welsh Government, the Skills Division focuses on post-16 skills development, working closely with Medr, the new Commission for Tertiary Education in Wales, which was established last year.
- 2.** The components of the Welsh skills system covered in this paper include Net Zero Skills, Regional Skills Partnerships, Apprenticeship skills policy, Flexible Skills Programme, Digital skills, Medr, Careers, National Occupational Standards and employer data.
- 3.** There is a UK-wide dimension to skills policy and the paper will cover the interface with UK Government and other devolved nations. The Welsh Government's alignment to "The UK's Modern Industrial Strategy, published on 23rd June 2025, will also be included.

2. Skills Policies

Net Zero Skills

- 4.** A significant amount of work has been undertaken to deliver on our commitment to Net Zero Skills. We have worked with our partners and stakeholders to continue to map the skills needs of key sectors and help us understand the pace and scale of change needed to support a Green Welsh economy. This year, we are using the Regional Skills Partnerships to gain ‘on the ground’ understanding of the challenges and green opportunities across Wales.
- 5.** We are working across Government to develop clear net zero career pathways, from expanding STEM learning in schools to reviewing and refining net zero qualification frameworks in Tertiary education and supporting Welsh businesses to upskill their current workforce to evolve towards a just transition.
- 6.** We are also working with Medr to explore opportunities to make the qualifications and skills system more flexible and agile to respond to the dynamic challenges of supporting net zero industries as part of that just transition.
- 7.** Medr has published its strategic plan with clear commitments to ensuring delivery of the skills people require for the future, improve post-16 outcomes as well as advancing equity and equality of opportunity. Medr is currently finalising its operational plan which will provide more detail on their initial actions.
- 8.** We have been undertaking a Green Skills review with stakeholders to consider what improvements could be made to the way the green skills system operates in Wales. The outcomes of a Ministerial roundtable on Built Environment Skills Forum, earlier in the year, have also been incorporated and a final report with actionable recommendations on Green Skills will be provided to the Cabinet Secretary and Minister before the end of the summer term.
- 9.** Work has continued to develop our Journey to Competence pathways for identified key professions, we aim to have a suite of them ready to be published over the summer. These pathways are being developed in partnership with industry and will provide a clear guide to greener skills and professional requirements for both businesses and employees.
- 10.** Looking forward, we are developing networks of stakeholders to inform the size and shape of a Welsh Green Skills Ecosystem including employers, training providers, workers, young people and representatives of protected characteristics groups. We will be working with our Regional Skills Partnerships to deliver

targeted employer engagement and cross sector activity to support the Welsh Government's priority of Jobs and Green Growth.

11. We will be providing an update on progress against the Net Zero Skills Action Plan before the end of the Senedd term and will also look to quickly implement the identified specific actionable recommendations on Green Skills which come out of the Green Skills Short Term Review work led by the Minister for Culture, Skills and Social Partnership.

Regional Skills Partnerships

12. Regional Skills Partnerships (RSPs) were established eleven years ago and provide a strategic overview of all matters relating to employment and skills across the four regions of Wales. There is a Programme for Government commitment to strengthen RSPs.

13. RSPs work with their employer-led boards and employer networks to set priorities for skills which are captured in employment and skills plans. These plans are published on their websites and utilised by Welsh Government and regional partners to assist their planning processes.

14. Over recent years RSPs have worked closely with Welsh Government, identifying regional priorities which inform the deployment of skills funding. In addition, RSPs act as regional skills structures to support the implementation of Growth Deals and City Deals covering skills matters including cross-border issues where skills systems differ.

15. The budget for RSPs has been maintained at the same level as previous years for 2025-26 at £290k per RSP, per year. The Regional Skills Partnership work will focus more on green skills during 2025-26, to align with the Cabinet's priority of 'Green Jobs and Skills'. They will work with their employer networks to identify regional and national green skills needs, guided by labour market information. They will also work in partnership with Medr to set green skills priorities for the provision of further education and apprenticeships.

16. Fortnightly monitoring meetings are in place to monitor the delivery of new green skills plans for this financial year to deliver on the Government priority Jobs and Green Skills. RSPs' employment and skills plans are also being refreshed for 2025. The data underpinning regional skills recommendations is being updated.

Apprenticeships

17. Apprenticeships are a vital tool in building a stronger, fairer and more just Wales which promises economic success for all. Apprenticeships support our drive to raise skills levels, drive productivity and create more resilient communities. They operate in all sectors, whether that is in digital innovation or the foundational economy, in areas such as health and social care, childcare and housing. They are available from Level 2 (equivalent to GCSE level) and are underpinned by robust qualifications that provide a learner pathway to degree level.

18. The Welsh Government funds 100% of training costs for apprentices of any age with businesses of any size. Recipients follow an approved Welsh Apprenticeship Framework such as in Energy, Engineering or Construction and must be working in Wales for 51% or more of their time. There is an employer incentive to recruit disabled apprentices as well as Supported Shared Apprenticeships.

19. As the Committee has previously explored, the UK government's Apprenticeship Levy applies to relevant businesses in Wales based on the number of employees, but does not operate as a separate, identifiable funding stream for the Welsh Government. We will need to consider how arrangements for the new Growth and Skills Levy may work best with the requirements of Welsh employers.

20. The Welsh Government is committed to supporting apprenticeships across Wales, through our tertiary education and skills policies. For 2025/26 Welsh Government has maintained the apprenticeship budget at £144m.

21. There is a Programme for Government commitment to expand degree apprenticeships. We have developed new provision for the rail industry, and from September 2024 construction degree apprenticeship pathways have been available in construction management, civil engineering, quantity surveying and surveying. The number of digital pathways has also been expanded. Any broader expansion has been curtailed by budgetary pressures. In Wales, we have focused degree apprenticeships on growth sectors such as digital, engineering and manufacturing where advances in innovation are likely to have a profound and long-term impact on Wales' economic growth.

22. Medr recently published its three-year apprenticeship framework review cycle. The Commission is currently reviewing frameworks in the creative, construction and engineering sectors, working with relevant stakeholders, including Qualifications Wales, to ensure that qualifications within apprenticeship pathways meet the needs of learners, employers and the Welsh economy.

Flexible Skills Programme (FSP)

- 23.** The final quarter of Financial Year 2024/2025 saw the full allocation of the FSP budget to Welsh Businesses (£1.3m). The Minister for Culture, Skills, and Social Partnership formally launched the Flexible Skills Programme for 2025/2026 in May with an increased budget of £7.531m.
- 24.** A FSP dedicated marketing campaign launched in June 2025. A Stakeholder Toolkit has been drafted for training providers, training bodies and employers to increase understanding of the FSP and how to access it. We are also currently compiling a plan to utilise ‘no cost communications options’ to amplify our messaging.
- 25.** From the 1st April to 11th June, the Welsh Government approved 67 applications for Flexible Skills Programme funding and committed £1,330,722, supporting 4,284 training interventions.
- 26.** Marketing, communications and engagement plans are well advanced to support full deployment of the increased FSP budget for 2025/2026. Targeted Employer Engagement and Relationship Management activity will underpin our approach, and we are ensuring we are plugged into cross-government, business facing, activity including involvement in major events such as the Investment Summit in the winter.

Digital Skills

- 27.** We have been working closely with colleagues across Welsh Government to ensure Digital Skills play a key role in delivering both the Digital Strategy for Wales and Cyber Action Plan for Wales.
- 28.** We will continue proactively to explore what role the enhanced FSP can play in supporting the upskilling of our Cyber and AI industry and will have substantial involvement in Wales Tech Week in November. We are currently exploring a joint communications campaign on Digital Skills with the Cyber Innovation Hub.

Medr

- 29.** Officials from the Skills Division work closely with Medr, across areas such as Apprenticeships, Regional Skills Partnership, Digital Skills, Net Zero Skills, National Occupational Standards and Labour Market Intelligence. Regular meetings are in

place with Medr to ensure policy direction is provided, particularly around the Government priority “Jobs and Green Growth”.

30. Wales’s Further Education sector plays a vital role in delivering skills to learners of all ages. Colleges and independent training providers offer a range of courses and qualifications that cover various aspects of an individual’s career, from post-16 education, to upskilling and career change reskilling. Many of the courses are fully funded and free as part of the Welsh Government’s funding arrangement with colleges.

31. Courses containing sustainability aspects or which intrinsically contribute to net zero related careers are increasingly being offered, from technical skills in engineering, construction, to cross-cutting skills in leadership, digital literacy and sustainability in the workplace.

Careers

32. Careers Wales is the national all-age professional and impartial careers advice, guidance and coaching service.

33. Careers Wales works with all secondary schools, special schools, Pupil Referral Units and colleges across Wales supporting young people to become more effective at planning and managing their careers in an ever changing and complex job market. They provide careers information, advice and guidance tailored to each individual young person’s needs and group sessions to help learners learn more about their career options, understand how their choices can impact their future career and how to take their next steps.

34. Since September 2024, Careers Wales has offered a careers guidance interview to all young people before they leave year 11. This provides young people with the opportunity to be aware of their future pathway options, enabling them to make an informed future choice. By the end of May 2025, Careers Wales had provided this support to over 85% of the current Year 11 cohort.

35. Careers Wales also provides support and resources to education professionals and teachers, supporting them to embed careers and work-related experiences (CWRE) across the Curriculum for Wales. Careers Wales works with thousands of businesses across Wales to facilitate bringing schools and employers together with the aim of informing, inspiring and motivating young people about their career opportunities. Activities include, employer presentations, role models, site visits, ‘World of Work’ days, mock interviews and careers fayres.

36. Since 2022/23, through the Welsh Government's renew and reform project, Careers Wales has offered schools and colleges support to establish and manage their own alumni community, as well as tailored work experience (TWE) placements to key stage 4 learners who were disengaging from their studies and at risk of becoming NEET.

37. Working Wales, launched in May 2019, is delivered by Careers Wales. Working Wales is the Welsh Government's approach to delivering personalised, impartial careers and employability advice, guidance and coaching services for those aged 16+ living in Wales, including those within the secure prison estate and seeking sanctuary. Working Wales refers individuals on to appropriate employability programmes including Jobs Growth Wales+, ReAct+, Communities for Work+ and Traineeships; the service also supports individuals into work, self-employment and apprenticeships. Since its inception, Working Wales has supported 200,000 customers.

38. The Careers Wales website includes

- a range of information relating to jobs
- a Careers City resource helps learners in primary settings begin to explore the world of work and careers.
- a future jobs page which explores Wales' regions and industries, so people can learn what jobs they could do, now and in the future (<https://careerswales.gov.wales/future-jobs-wales/jobs-in-agriculture-and-land>).
- geographic intelligence for young people, so that they can see, for example, where particular types of apprenticeships are offered around Wales.

39. The Working Wales website also includes a job bulletin to which people can subscribe which gives access to current live vacancies across Wales.

National Occupational Standards

40. National Occupational Standards (NOS) set out the knowledge, skills and competencies that are required for an occupation and underpin a range of apprenticeship qualifications and adult vocational qualifications across the UK and overseas. The NOS Strategy for 2022 and beyond supports the concept of

lifelong learning by enabling individuals to gain the transferable skills most critical to the economy of the future. NOS act as a common currency to support the portability of skills and the ongoing mobility of the workforce across sectors, regions, and nations.

41. NOS are responsive to occupational and societal changes; through the analysis of Labour Market Intelligence (LMI) the NOS system identifies occupations which are emerging, in demand and in decline, and occupational changes occurring due to new working practices, technologies and legislation. NOS ensure that employers from across all four UK nations are consulted to ensure that the skills and competencies required for a particular job are consistent and transferable, regardless of where it is carried out. NOS do not focus solely on large business; they address the skills needs of the foundational economy, as well as small, rural, and bilingual businesses. The three-nation NOS Governance Group is commissioning work to establish sectoral occupational priorities, which will include roles undertaken within rural locations.

42. NOS are freely available to support training and education solutions for key rural sectors such as tourism and hospitality, agriculture, energy and food and drink. NOS also outline the occupational competencies required for both skilled and unskilled roles within the foundational economy and other essential services accessed in rural areas.

43. To ensure learners are undertaking industry standard learning as much as possible, the National Occupational Standards commissioned by Governments in Wales, Northern Ireland and Scotland are widely used to develop qualifications and underpin workforce planning. A report on the Thematic study on Green/Net Zero National Occupational Standards has also recently been published and is now under consideration by officials.

NOS review, development and translation

44. Demand for revised and new NOS is prioritised annually. Reviews ensure standards remain fit for purpose and adapt to meet current and future needs of employers and industry across the UK.

Employer data in Wales

45. Evidence shows the majority of employers in Wales can access the skills they need. The Employer Skills Survey (ESS) 2022 showed that one in ten (10 per cent) employers in Wales had vacancies they had difficulty filling due to a lack of applicants with the required skills, qualifications or experience (skill shortage vacancies). Overall, 35 per cent of vacancies in Wales were skill shortage vacancies.

46. Figures on vacancies and skill shortage vacancies showed increases from previous years, although that should be viewed in the context of the increase in vacancies that occurred during the Covid-19 pandemic, which coincided with the fieldwork for ESS 2022 (June 2022 to March 2023). More than eight in ten employers with SSVs (84 per cent) stated they had taken action to address them. The most common response to skill shortage vacancies was to increase advertising and recruitment spend (34 per cent).

47. With regard to internal skills challenges, 14 per cent of employers felt at least one staff member was not fully proficient at their job (a skills gap). This was consistent with 2019 (13 per cent). The proportion of employees considered not fully proficient (skills gap density) in 2022 was also similar to 2019 (4.1 per cent in 2022 and 4.0 per cent in 2019). Skill gaps were most often caused by staff being new to the role (70 per cent), and by training only being partially completed (61 per cent). Eight in ten (80 per cent) employers had taken steps to improve the proficiency or skills of staff with skills gaps. The most common responses to skills gaps were increasing training activity or spend (60 per cent) and increasing the supervision of staff with skills gaps (53 per cent).

48. Six in ten (60 per cent) employers in Wales had funded or arranged training for their staff over the 12 months prior to interview, a decrease from the 62 to 63 per cent seen in the 2015 to 2019 period. This decrease was driven by a lower proportion of employers providing off-the-job training (36 per cent in 2022 versus 45 per cent in 2019). The proportion of staff trained also decreased from 65 per cent in 2019 to 63 per cent in 2022.