

Dear Mr Davies,

A Work, Health and Skills Plan for Wales – Boosting employment opportunities for 60,000 people and tackling economic inactivity.

On behalf of [Learning and Work Institute](http://www.learningandwork.org.uk) (L&W), I am writing to share our recent report [A Work, Health and Skills Plan for Wales](#), which I hope will be of immediate interest to you and the work of the Economy, Trade, and Rural Affairs Committee. I appreciate this Senedd term will shortly come to an end, but I hope the Committee support service and Members' Research Service may also find it helpful for work in the next Senedd.

With the imminent devolution of employment support, the report sets out how the Welsh Government can immediately utilise its devolved powers to increase employment in Wales, deliver a potential £1.4 billion economic boost for Wales, and save taxpayers up to £500 million per year.

Background to the research

L&W is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion. Our vision is for a fair and prosperous society where learning and work enable everyone to realise their potential.

Through our work in Wales, we conduct high-level research to provide a robust evidence base for policy development. For example, our analysis of youth participation underscores a concerning national trend. Of the nearly one million young people aged 16 to 24 across the UK who are not in education, employment, or training (NEET), our findings reveal that in Wales, approximately seven in ten (69%) are economically inactive - meaning they are currently neither seeking nor available for work.

This report arrives at a pivotal moment. With the commitment from the UK Government to devolve non-Jobcentre Plus support, the Welsh Government will have greater control over impactful employment policies that can reduce economic inactivity and support economic growth. The report sets out timely analysis to create a richer understanding of the groups most impacted by labour market inequalities and suggests clear, implementable policy recommendations for a more inclusive Welsh labour market.

The labour market realities our analysis reveals

Our analysis provides definitive evidence that the persistent employment gap between Wales and the rest of the UK is a major economic constraint.

Learning and Work Institute

Patron: HRH The Princess Royal | Chief Executive: Stephen Evans
Director for Wales: Michelle Matheron
A company limited by guarantee, registered in England and Wales
Registration No. 2603322 Registered Charity No. 1002775
Sefydliad Dysgu a Gwaith
Noddwr: Ei Huchelder Y Dywysoges Frenhinol | Prif weithredwr: Stephen Evans
Cyfarwyddwr Cymru: Michelle Matheron
Cwmni cyfyngedig trwy warrant a gofrestrwyd yn Lloegr a Chymru
Rhif cofrestru 2063322 Rhif cofrestru elusen 1002775



Wales experiences higher rates of economic inactivity (15.8%) compared to England (14.2%). The primary driver of this disparity is disability and poor health, accounting for 6.9% of the working-age population's inactivity.

Employment opportunities and outcomes also differ greatly based on where someone lives. Mid-Wales, for example, sees the biggest employment gaps for disabled people and one in eight working age people in Blaenau Gwent are receiving Universal Credit health, this is double the proportion in Gwynedd.

These challenges are often exacerbated by a lack of skills: among people who are economically inactive due to poor health, 42% have no qualifications, a rate three times higher than the wider population.

Collectively, these barriers to employment compound inequalities affecting disabled people, those with long-term health conditions, women, and ethnic minority groups.

Report proposals

The report proposes a bold, long-term 10-year strategy to close this employment gap between Wales and the UK by raising the current 73% employment rate to a minimum of 75% of working-age adults. Achieving this increase (an extra 60,000 people in work) is projected to deliver a potential £1.4 billion economic boost for Wales and save taxpayers up to £500 million per year.

As part of our recommendations, the plan calls for specific actions for the Welsh Government to:

1. **Establish a 10-year Work, Health and Skills plan**, led jointly by the Welsh Government's Health, Economy and Education departments.
2. **Develop a new, single Employment Support Network for Wales** to join up health, skills, and employment support effectively.
3. **Invest £180 million in additional annual funding** to resource this critical intervention and support the transition of those 60,000 people into work.

Further recommendations can be found [in our report](#).

With the imminent devolution of employment support, we are keen to work with the Welsh Government to utilise its devolved powers to implement this comprehensive plan to shape the future policy landscape in Wales.

An invitation to meet

I would also welcome the opportunity to meet with you to discuss our research and the wider work of Learning and Work Institute in Wales.

My colleague Nisha Patel (nisha.patel@learningandwork.org.uk) would be happy to work with your office to find a suitable date.

Yours sincerely,



Michelle Matheron
Director for Wales, Learning and Work Institute