Cabinet Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Cabinet

24th SEPTEMBER 2018 MEETING

INTEGRATING THE REGIONAL SKILLS PORTFOLIO – DELEGATIONS FOR THE REGIONAL SKILLS PARTNERSHIP & WAY FORWARD ON SKILLS FOR THE FUTURE

REPORT OF CCR CITY DEAL, DIRECTOR & CHIEF EXECUTIVE OF NEWPORT CITY COUNCIL

AGENDA ITEM: 10

Reason for this Report

1. To set out a current and clear position statement on Skills and the need to enact a series of actions in order to establish an integrated Cardiff Capital Region / Cardiff Capital Region City Deal Skills portfolio. This encompasses issues requiring urgent address surrounding delegations needed to formally bring together and integrate the Regional Skills Partnership into CCR and City Deal frameworks. It also includes the need to establish temporary resourcing arrangements whilst this is in train in order to deliver on partnership support and contractual obligations – the first quarter report on which (progress on Regional Skills Partnership draft Annual Report to Welsh Government) is appended. Additionally, the report sets out a proposal to further develop and conclude the City Deal Skills for the Future Outline Business Case and to also establish Newport City Council as the Lead Authority for Skills.

Background – the current position on Regional Skills Partnership

2. Harking back to the origins of City Deal and the initial Heads of Terms, clear reference was made to converting the work of the Regional Skills Partnership (then known as LSKIP and hosted and convened by WLGA) to a new CCR Employment and Skills Board. This phraseology, 'Employment and Skills Board' has since been replicated in all official City Deal documentation including the Joint Working Agreement and the Five Year Business Plan. The issue that has

subsequently arisen is that WG is only permitted to recognise and thus, fund, Regional Skills Partnerships, of which, LSKIP is one of three in Wales.

3. What this means is that whilst City Deal support staff are carrying out aspects of work that falls under the formal remit of the Regional Skills Partnership to deliver Regional Skills Partnership priorities and programmes alongside the Skills for the Future work – there is no formal or legal City Deal jurisdiction over the former – only the latter. This makes holistic and integrated working difficult around the wider Skills portfolio. Moreover, it causes significant operational difficulty in that only the extant Regional Skills Partnership is recognised by Welsh Government (and not a Regional Skills Board as per the City Deal stated objectives). Consequently existing arrangements for operating, financing and monitoring RSP activity remain in place. In other words, WLGA remains the custodian and 'host' contractually and financially for the Regional Skills Partnership – albeit aspects of the work is undertaken from within the City Deal Office.

4. This needs to be resolved quickly and effectively. Ideally, Regional Cabinet would have the legal jurisdiction to be able to develop its own programme (Skills for the Future) alongside the Regional Skills Partnership work and consolidate into one portfolio programme, with Newport City Council acting as the CCR City Deal lead. This jurisdiction and delegation however, is not afforded to Regional Cabinet as a result of the issues set out in para 2. Changes to effect this are likely to require a potentially lengthy review to the Joint Working Agreement.

5. Should this not offer the most expedient and efficient option, consideration might be given to the Cardiff Capital Region Councils agreeing to collaborate on regional skills – encompassing both the Regional Skills Partnership (outside of City Deal) and Skills for the Future (within City Deal) – thus, enabling commitment to enact one integrated portfolio through an alternative agreement – with Newport City Council acting as the overall CCR lead. Either option would legitimise a 'one voice' approach to regional skills development and delivery. However, in pragmatic terms, the option that carries least risk and the prospect of quicker delivery, must be supported. Both options will be appraised and reported back to Regional Cabinet to allow quick progress to the next stage and for the delegations issue to be resolved without delay.

6. Engagement continues with both WLGA and Welsh Government (WG) to keep them in the loop on this matter and efforts to resolve it. Both partners are supportive of efforts to settle the situation and create an integrated Skills portfolio and 'offer' for the region.

7. In the interim to concluding this position, interim arrangements with WLGA will remain in place around administration of the Regional Skills Partnership. In

addition, the City Deal Director, in collaboration with the proposed Lead Authority, will put in place temporary staffing arrangements to provide the resilience needed and ensure the partnership support is in place, all contractual obligations are met and engagement continues. This will be especially important in the light of the recent departure of the Regional Skills Lead. In this interim period, the City Deal Director will provide line management support and leadership direction to the team. When agreements are in place and handover is enacted, a new staffing and resource complement can be put in place, informed by the City Deal Director and proposed Lead Authority.

8. WG allocated resources for the Regional Skills Partnership are currently overseen and managed by WLGA. Whilst provision is made by City Deal for Skills development, this is in the form of the salary resources for the Regional Skills Lead and the Project Support Officer.

9. It is important the implications of the above are understood in relation to the remit of the Regional Cabinet and its decision-making powers around Skills. Reflecting the fact that the Regional Cabinet does not have the necessary powers and remit over Skills agenda, certain aspects and recommendations contained in this report are 'for note', whilst others that do fall within scope, are for decision and endorsement.

The OBC on Skills for the Future

10. It would appear that in the context of the above, it has been difficult to create the capacity needed to drive forward the key element of the Skills programme that does fall within City Deal scope – the Outline Business Case on Skills for the Future. The work carried out to date has as yet, not fully garnered the levels of understanding, support and endorsement of key stakeholders. There are a number of reasons for this. Skills is a contested and complex space with a large number of diverse institutions and bodies involved.

11. Whilst differences in opinion are inevitable, there is a widespread feeling that more work needs to be done to further develop and test the draft outline business case; revisit assumptions, give greater clarity to expected outcomes and reinforce the aspects that will build bridges between 'where we are now' and 'where we want to be in future'. There is a real commitment to a 'one voice' approach and to developing a strong sense of shared purpose. The shared view however at this time is that more work is needed to arrive at this point. This is not about throwing the baby out with the bathwater – simply – independently checking, testing and reinforcing outcomes. Additionally, further focus needs to be given to forerunner or 'quick win' interventions and importantly, developing a blueprint to leverage the skills, training and employment opportunities surrounding existing City Deal investments such as Compound Semiconductors.

The intention is for the work to be quickly commissioned and overseen by the City Deal Director and the proposed Lead Authority supported by lead officers for the Skills Partnership. The goal is for the OBC to be developed, concluded and engaged upon by Christmas.

The way forward

12. The proposed way forward for Skills can be summarised as follows:

    1. Understand the position as regards delegations, appraise the two aforementioned options and progress the changes required to formally legitimise the Regional Skills Partnership work as part of either City Deal or City Region working – enabling the integration of one holistic Skills portfolio;

    2. In the interim to this concluding, develop interim staffing and resource arrangements to build resilience and ensure delivery of partnership support, contractual arrangements and outcomes attainment – noting the objectives and aims signed up to in the Annual Report to WG (appended);

    3. Progress the further independent developmental work required on the Skills for the Future business case, in order to conclude the outline business case, identify forerunner projects and mobilise and leverage the value of investments such as Compound Semiconductors; and

    4. Given the time and investment expended to date and the profile and strong relationships established, it is suggested that Newport City Council is confirmed as the Lead Council for Skills supported by the relevant Skills partnership experts and long-time advisors.

Reasons for Recommendations

13. The report sets out the changes needed to establish a comprehensive and integrated regional Skills portfolio bringing together the operation of the Regional Skills Partnership, stakeholder engagement and the continuation of the Skills for the Future Programme. In the interim a holding position will need to be established. Joint leadership is necessary to ensure the balance across central programme co-ordination and strategy and local delivery and support.

Financial Implications

14. The attached report provides an update on the arrangements in respect of the Skills work area being progressed by Cardiff Capital Region and the Regional Skills Partnership. Funding for the latter takes the form of an annual ‘output’ based grant awarded by Welsh Government. For the reasons set-out in the report WLGA have continued to administer the grant arrangements for 2018/19.

15. The City Deal Director with support from the Accountable Body are liaising with WLGA to establish the value of commitments to-date against the 2018-19 grant

allocation of £165,000. In addition, resources are available from the City Deal 2018-19 approved Skills budget. The available funding from these two sources will be used to inform the interim staffing and resourcing arrangements for the rest of the year. The resource and budget provision for next year (2019/20) will need to be reviewed as part of Regional Cabinet's annual budget setting process.

16. In terms of the draft outline business case on Skills for the Future, it's important that any business case brought forward for consideration and approval, fully meets the requirements of the HM Treasury's Green Book using the Five Case Model as this is key requirement of City Deal grant funding. The report advocates the commissioning of an independent assessment of the draft outline business case to ensure the document is sufficiently robust in this respect. It is understood this commission is likely to cost circa £25k and can be met from the Wider Investment Fund's Project Development & Support budget.

Legal Implications

17. This report notes the work proposed to be carried out in respect of the Skills portfolio. Detailed legal advice should be sought as the proposals are developed, including as to the implications of and proposed governance arrangements that may be required to facilitate a Lead Authority model and any employment law implications. The report notes that the proposals, once developed will be subject of further reports, at which time more detailed legal advice can be provided.

18. In considering this matter and in developing the proposals regard should be had, amongst other matters, to:

    (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;

    (b) the Councils' duties under the Well –being of Future Generations (Wales) Act 2015; and

    (c) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief.

Future Generations and Wellbeing Considerations / Well-being and Equalities Assessment

19. Consideration to aspects concerning the Future Generations (Wales) Act 2015 and Well-being and Equality are described in Appendix 2.

RECOMMENDATIONS

It is recommended that the Cardiff Capital Region Joint Cabinet:

a) Notes the situation regarding delegations, remit and endorses the work now needed to address the issues and legitimise the creation of one comprehensive and integrated regional Skills portfolio, with a further report to be submitted to the Regional Cabinet and or individual authorities for approval, as appropriate. Further, such work to be premised on Newport City Council acting as the Lead Authority for Skills;

b) Notes that interim resourcing arrangements will be put in place, with line management and leadership support of the City Deal Director and support of the proposed Lead Authority. This will ensure stability and resilience in the short-term;

c) Notes the Regional Skills Partnership draft Annual Report to WG (April – July 2018) and the need to translate into a public-facing document; and

d) Endorses the Skills for the Future brief and the developmental work needed to conclude the Outline Business Case ('OBC') and approves a budget of up to £25,000 in respect of this work. Further, that that the OBC be developed on the assumption of Newport City Council acting as the Lead Authority for Skills.

Kellie Beirne
Cardiff Capital Region City Deal Programme Director
18th September 2018

Will Godfrey
Chief Executive
Newport City Council

The following Appendices are attached:

Appendix 1: Regional Skills Partnership draft Annual Report (April – July 2018)
Appendix 2: Brief – Skills for the Future
Appendix 3: Future Generations Evaluation Skills

Partneriaeth Sgiliau Prifddinas Ranbarth Caerdydd | Cardiff Capital Region Skills Partnership

Regional Skills Partnership
DRAFT
Annual Report to Welsh Government
April-July 2018

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Section 1: Introduction

The Cardiff Capital Region (CCR) is made up of ten local authorities: Bridgend, Vale of Glamorgan, Cardiff, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire, and Newport. It has an estimated population of 1.5m,[1] which is 48.7% of the Wales population. Of this population, around 960,000 people are estimated to be of working age (16-64 year of age). The region generates 51% of the total gross value added (GVA) in Wales.[2]

There is significant variation between local economies within the region. For example, some local authorities employ a larger proportion of the workforce in broad sectors, such as production, than others.[3]

Priority Sectors

In our Employment and Skills Plans 2016 and 2017, an analysis of the regional economy based on the gross value added of outputs and size of industrial sectors prioritised five sectors for the region.[4] These were considered to have greatest demand for labour and skills over the next five years and to be of strategic importance. These are:

- advanced materials and manufacturing (AMM);
- construction (CON);
- financial, legal and professional services (FPS);
- the human foundational economy including education, health and social Care (HFE); and
- digital (ICT/digital/creative).

These sectors collectively make up of 78% of gross value added across the regional economy.[5]

In 2018/19 the Regional Skills Partnership (RSP) will extend engagement with employers from across the foundational economy by including hospitality and tourism and will also add aerospace and aviation to sector priorities.

Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal[6], a £1.28bn City Deal agreed between the UK and Welsh governments, continues to influence capital and infrastructure investment across the region. It plays, and will continue to play, a key role in shaping the future economy of the region. Over the lifetime of the deal, it is envisaged to leverage an additional £4bn of private sector investment to the region and deliver up to 25,000 new jobs. The main areas of the Deal are:

- £1.2 billion investment in the Cardiff Capital Region's infrastructure;
- support for innovation and improving the digital network;
- developing a skilled workforce and tackling unemployment;
- supporting enterprise and business growth; and
- housing development and regeneration.

<u>Infrastructure and Ongoing Developments</u>

There have been significant investments in the region in recent years with more projects planned in the future. There are also other developments, such as policy

initiatives, which will have an impact on the region. Some examples of recent investments and developments within the regional economy include:

South Wales Metro
A key part of the Cardiff Capital Region City Deal, this £734m investment will provide better integration across different modes of transport across the region. Additionally, there is an agreement in principle for a £180m re-development of Cardiff's transport hub including £40m to create a new central transport interchange.

Compound Semi-Conductor Cluster
A £38m investment to support the development of the Compound Semiconductor Cluster creating more than 2,000 jobs. This is a joint venture between compound semi-conductor specialists IQE and Cardiff University. It will position the region as a world leader in compound semiconductors. Jobs created from the venture are likely to be highly skilled, specialist and high value-added.

The Mill Housing Development, Cardiff
A £100m on-going housing development in West Cardiff transforming a 53-acre derelict industrial site into an 800 home urban village. The project was estimated to have created 1,000 jobs during the construction and to have produced a significant number of apprenticeships and training opportunities to the local community.

Transport for Wales New Headquarters
Transport for Wales has chosen to base its new headquarters at Pontypridd's new Taff Vale Park. The redevelopment of the park is supported by £30m from Rhondda Cynon Taf Council, £10m from Welsh Government, and £7m from the European Regional Development Fund. The new headquarters will have several hundred staff located at the headquarters for the new not-for-profit company. Improved connectivity at Pontypridd will mean a wide catchment area of potential employees, particularly across the valleys, for Transport for Wales, the Metro operator and delivery partners.

Ministerial Taskforce for the South Wales
Aware that the South Wales valleys have a unique set of deep-rooted challenges, reflected in quality and length of life as well as educational attainment and skills, the Ministerial Taskforce for South Wales was set up in 2016 to work with public sector and third sector organisations to achieve more than 60 priority actions. These include: closing the employment gap between South Wales Valleys and the rest of Wales; creating new, secure and sustainable jobs supported by the right skills; and creating new strategic hubs. Crucially, actions also include plans to support the foundational and digital economy, business start-ups and job creation opportunities around infrastructure investment in the region.

Developments in neighbouring regions will also have an impact upon the Cardiff Capital Region. They are likely to offer employment opportunities to workers within the region, benefits to businesses through supply-chains, and other spin offs. Examples of two major developments in neighbouring regions include:

Hinkley Point
The construction of a large two-reactor nuclear power plant in Somerset, at an estimated cost of £18bn, is also likely to have an impact on the region. It is likely to be a place of employment for those within our region.

The Swansea Bay City Deal

The £1.3bn investment covering Swansea and West Wales will bring further investment to Wales. The Deal encompasses 11 projects across four key themes; economic acceleration, life science and well-being, energy, and smart manufacturing. Other developments in the South West of England, particularly around Bristol, must also be considered going forward. The ending of the Severn Bridge tolls in December 2018 is likely to bring benefits to the region which we will continue to monitor.

Challenges

When identifying challenges in previous years, we recognised that they were deep rooted, long-term and would require appropriate solutions. They therefore remain unchanged.

1. Raising GVA

We recognised the need to develop employment and skills in the regional labour market that support investment strategies and achieve economic growth. Infrastructure investment in the region and neighbouring areas will have a substantial impact on demand for current employment and skills.

2. Skills Gaps and Shortages

Projected labour demands exceed the expected numbers of entrants within some occupations creating skills shortages whilst skills gaps increase as the demand for skills evolves in response to changing working methods, utilising new technology and introducing automation.

The supply of labour to meet these demands is dependent on a number of factors including:

1) appropriate training provision in the region for all ages, taking into account the need to train the trainers in current and changing skills needs;
2) retention of a workforce who may be lured away by higher salaries elsewhere in the UK, and
3) provision for the upskilling of adults already in the workforce to meet the changing skills requirements of replacement jobs, particularly with the adoption of digital skills and Industry 4.0.

3. Qualification Levels

Qualifications levels in the Cardiff Capital Region exceed Wales' average but still do not meet forecast higher-level skills demand, which continues to increase. 54% of those in employment are forecast to hold qualifications at Level 4 or above by 2024, with an overall decline in those with no or low qualifications predicted. The exception is for caring, personal service and administrative occupations which predicts increases in demand for Level 2 and Level 3 qualifications, driven in part by mandatory requirements.

4. Apprenticeships

Only 13% of employers utilise apprenticeships and just 1.5% of year 11 school children went directly into apprenticeships last year. Challenges remain regarding perceptions, including parity with academic routes, promotion and marketing of opportunities, increasing the number and range of apprenticeship opportunities, including higher and degree apprenticeships.

5. Careers Advice and Guidance

We recognised there is a mismatch between subject areas chosen by learners and those occupations within the economy that offer the greatest prospect for employment, earnings and career development. Forecast skills shortages may be reduced if careers advisors, teachers and industry representatives can collaborate to effectively market opportunities to parents and students.

6. Unemployment and Economic Inactivity

Across the region there are high unemployment costs and projected skills shortages due to demographic trends such as an ageing population and ageing workforce.

7. Improving Learner Outcomes

We recognised the need to further improve the outcomes of learners in the region. However, there are limitations to destinations data which make this a difficult task.

8. Brexit and European Union Funding

The effect of Brexit on the region continues to be difficult to ascertain given the future relationship of the United Kingdom and European Union remains unknown. We recognise this is likely to have a significant impact on labour force in terms of migration as well as the loss of European Union funding to the region.

Section 2: Priorities for the Region

The 2017 Cardiff Capital Region Employment and Skills Plan identified eight Regional Priorities for Employment and Skills, six are being retained as a context and framework for future delivery and are detailed within the Cardiff Capital Region City Deal five-year Strategic Business Plan alongside a commitment to work with DWP on the co-design of the work and health programme.

1. **Delivering employment and skills support for industry, infrastructure and other investments to enable growth** - creating tailored and flexible solutions through regional academies or centres of excellence that can respond to the needs identified and utilising social clauses to maximise the skills engagement and employment potential of any investment, including employment and skills support to build local supply chains/value chains and developing the capacity and capability within the education system to respond.

2. **Supporting industry through priority sectors to address skills gaps and shortages** – responses to specialist or technical skills demands as defined by individual sectors, plus common or cross cutting skills needs such as digital skills, leadership and management, train the trainer, ‘people and personal skills’ or soft skills and adult skills programmes.

3. **Developing higher level skills to future-proof the workforce** – increase the range of higher-level qualifications in technical subjects and to meet the demand for managers, professionals and associate professionals in ICT/digital, professional services and manufacturing at Level 4 and beyond. Innovate learning to encourage and support learner aspirations to achieve higher level skills, providing accelerated learning and pathways to encourage progression beyond levels 2 and 3. Improve learner attainment across the region to meet forecasted higher level skills demand.

4. **Increasing the number and range of apprenticeships** – increase the number and range of apprenticeships offered and maximise the demand from employers in response to the Apprenticeship Levy. Extend the range of higher level apprenticeships and introduce degree apprenticeships as an alternative, and cost effective, route to higher-level qualifications, with greater opportunity to progress into employment. Support shared apprenticeships in response to demand from industry and particularly SMEs.

5. **Improving industry engagement with education and marketing of career opportunities and pathways** – develop sustained engagement by industry with schools and colleges to foster education/industry links. Support continuous professional development of teachers and tutors in industry relevant skills. Improve information/intelligence and marketing of career options linked to employment opportunities, use industry engagement to challenge perceptions and promote parity between vocational pathways, apprenticeships and academic qualifications.

6. **Developing a regional employability plan to get more people into work** – develop a regional plan to engage economically inactive and unemployed people, including ex-offenders and encourage them back into work with appropriate training and pre- and post-employment support. Utilise social clauses in contracts to create employment and placement opportunities for those seeking work.

The final two of the eight regional priorities for employment and skills remain valid, but there is recognition that the remit does not rest with the Regional Skills Partnership. The need to improve destination data will rely on action determined by the Welsh Government and to succession plan for European Funded programmes is integral to the work of the Regional Engagement Team (RET). Whilst the Regional Skills Partnership has an interest and would wish to support these developments, it is accepted that the primary responsibility and the resource for any action to address these priorities is with the agencies mentioned and not with the Regional Skills Partnership.

7. **Improving destination data for better learner outcomes** – destination data needs to be improved. Quality data in higher education is able to demonstrate learner outcomes and the impact and value of skills investment; this needs to be extended across further education and work-based learning. Longer term measures could identify pathways to employment, relevance of learning and movement within and across different occupations to measure learner outcomes over time.

8. **Developing succession plans for European Union funded programmes post-Brexit** – risk assess and impact assess European Union funded support services offered through local and regional ESF operations. Determine priorities for succession plans post Brexit.

Section 3: Key Achievements and Progress since 2017

Regional priorities in the 2017 Employment and Skills plan have been taken forward as follows:

1. **Delivering employment and skills support for industry, infrastructure and other investments to enable growth** – working with Transport for Wales and the Regional Transport Authority to assess and respond to employment and skills demands in support of the Metro investment and wider Wales and Borders franchise. Development of a City Deal 'Skills for the Future' proposition. Development of a Financial, Legal and Professional Services prospectus to promote education sector expertise and support inward investment enquiries.

2. **Supporting industry through priority sectors to address skills gaps and shortages** – Working through sector groups to establish sector led action plans and recommendations to address skills gaps and shortages. Ongoing development of the City Deal 'Skills for the Future' proposition to support industry to address skills gaps and shortages.

3. **Developing higher level skills to future-proof the workforce** – working through sector groups to establish sector led action plans and recommendations for higher level skills development at level four and beyond. Ongoing development of the City Deal 'Skills for the Future' proposition to develop a regional graduate programme.

4. **Increasing the number and range of apprenticeships** – ongoing development of the City Deal 'Skills for the Future' proposition to increase the number and range of apprenticeships offered with targets to increase participation by businesses, particularly SMEs and promote the apprenticeship pathway to young people.

5. **Improving industry engagement with education and marketing of career opportunities and pathways** – ongoing development of the City Deal 'Skills for the Future' proposition to raise the profile of regional employment opportunities and pathways. Development of a Careers, Schools and Opportunity Task and Finish Group to target action to March 2019 (see section 17).

6. **Developing a regional employability plan to get more people into work** – creation of an Employability Task and Finish Group with membership drawn from a wide variety of stakeholders, to map current programmes and develop a regional employability plan.

7. **Improving destination data for better learner outcomes** – the Regional Skills Partnership considers this as a priority for Welsh Government and has requested that improved destination data, once available, be shared with Regional Skills Partnerships to aid and inform planning decisions.

8. **Developing succession plans for European Union funded programmes post-Brexit** – the Regional Skills Partnership will continue to support the work of the Regional Engagement Team to consider the impact on and succession plans for ESF programmes post-Brexit.

Section 4: Membership and Governance

The Cardiff Capital Region Skills Partnership and Employment and Skills Board are integrated within regional structures as a part of the Cardiff Capital Region City Deal (CCRCD). The Cardiff Capital Region Skills Partnership is managed by the CCRCD Programme Management Office and its Employment and Skills Board is formally recognised as one of four Regional Partnership Boards which are supported by the CCRCD and which act in an advisory capacity to the Cardiff Capital Region Cabinet. The Regional Skills Partnership and Employment and Skills Board support the delivery of a shared Cardiff Capital Region employment and skills agenda for the City Deal and Welsh Government.

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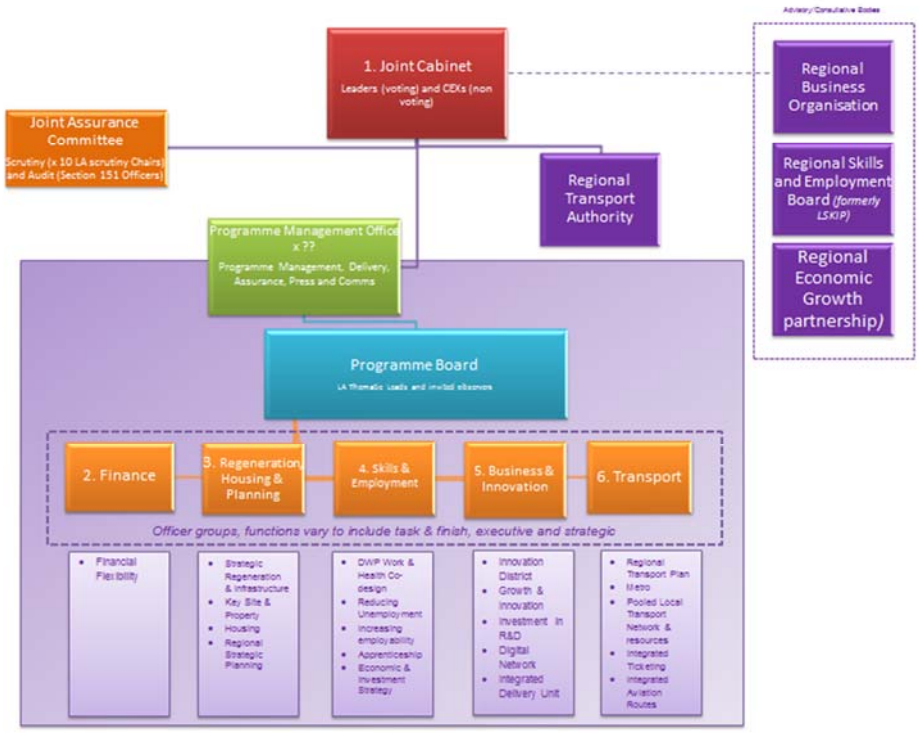
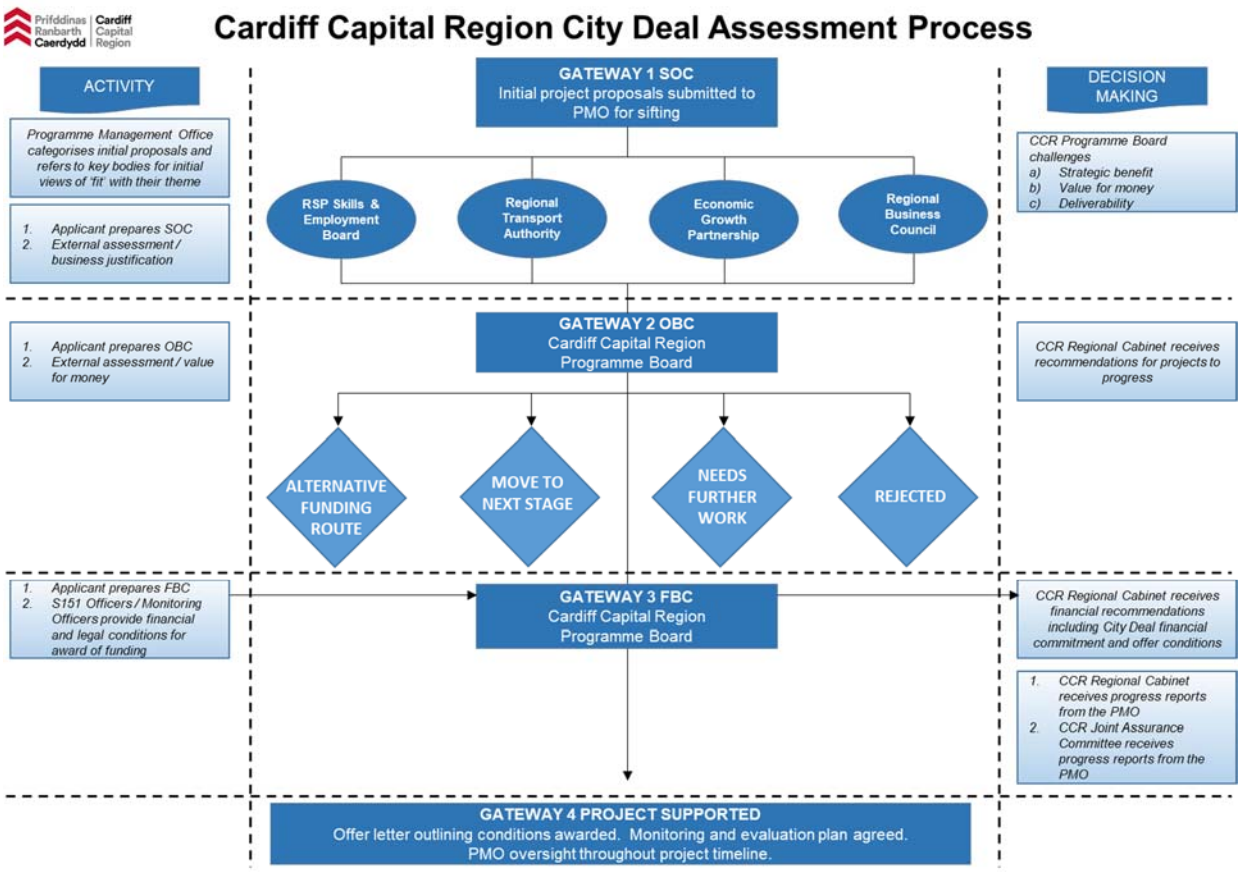
CCRCD Governance and Resource Structure



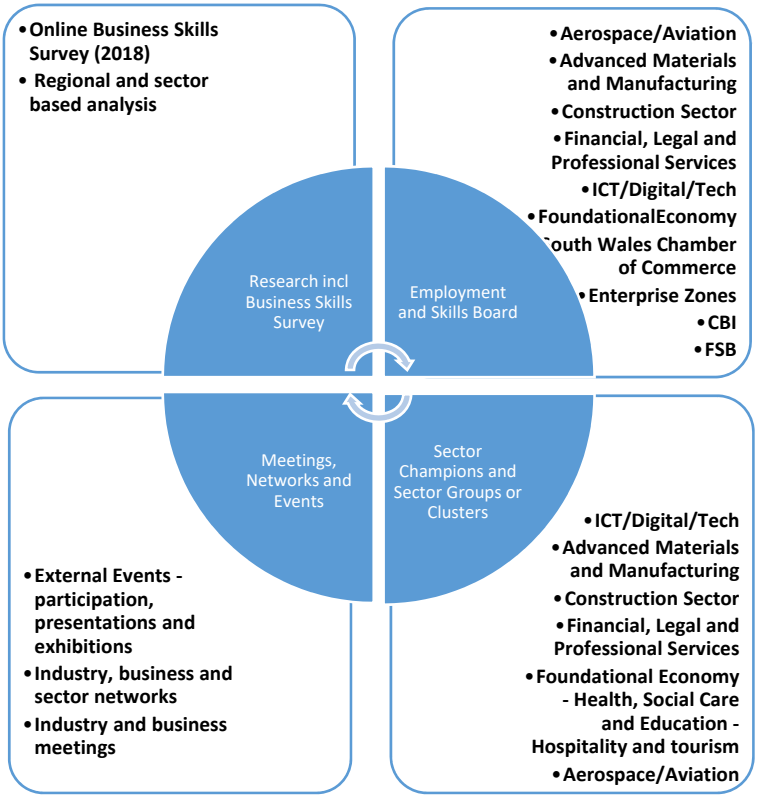
The Employment and Skills Board is industry led and Chaired by an industry member. Membership is drawn from a wide variety of stakeholders and all members attend as representatives of their sectors or networks; membership is being extended and the current list of members/sectors can be found in the annex. The Cardiff Capital Region Employment and Skills Board is represented on the Wales Employment and Skills Board (WESB) and Wales Apprenticeship Advisory Board (WAAB). Connections to the Council for Economic Development (CED) are achieved through membership of WESB, which reports into the CED and whose Chair is a member of the CED. The Employment and Skills Board is governed by a constitution which is appended in the annex.

The Employment and Skills Board also plays a key role in providing advice and guidance to the Cardiff Capital Region Cabinet as a part of the assurance framework for the City Deal Wider Investment Fund.



Section 5: Employer Engagement Strategy

Employer Engagement Strategy



Employer Engagement Activities

Employment and Skills Board and Sector Champions
Employment and Skills Board Members represent and are asked to facilitate engagement through business networks and wider economic structures across the region. Membership includes representation from the Cardiff Capital Region City Deal, Enterprise Zone Boards, CBI, FSB, South Wales Chamber of Commerce and representatives from a number of regionally identified priority sectors, construction, advanced materials and manufacturing, ICT/digital/tech, foundational economy, and financial and professional services. Membership will be extended to include hospitality and catering plus aerospace and aviation for 2018/19.

The Employment and Skills Board has for some time identified a dedicated employer engagement work-stream within its work programme. It utilises business representatives and sector champions to lead engagement activity, with a particular emphasis on priority sectors. Sector champions connect with industry representatives from across the wider business landscape and from within their sectors to engage employers in the work of the Regional Skills Partnership.

Sector Groups or Clusters
A series of sector groups or clusters exists to support employer engagement across each of the priority sectors. Each is driven by the relevant sector champion and there is no uniform structure, with each sector and sector champion defining the engagement structure and strategy, utilising existing meetings and networks where possible but creating meetings and/or a structure where necessary.

The Construction, ICT/Digital and Human Foundational Economy Sector Groups or Clusters were initiated by the Regional Skills Partnership in conjunction with the relevant sector champions. Whilst the advanced materials and manufacturing sector engagement activity was undertaken by the sector champion in partnership with Industry Wales and the financial, legal and professional services sector engagement activity has adopted an existing structure, led by the sector champion in partnership with Sweetmans and Partners. New structures are emerging to support hospitality and tourism and the aerospace and aviation sectors for 2018/19.

The Foundational Economy, Construction, Advanced Materials and Manufacturing and the Financial and Professional Services Groups have met regularly; however, the ICT/Digital cluster has not met since earlier in the year. A new approach is being piloted for a new Digital/Tech cluster centred around three themed workshops per year. This will reduce the time commitment, offer a more focused discussion and hopefully secure better engagement.

Current membership of the sector groups can be found in the annex, with a commitment to continue to broaden membership.

Research including Business Skills Survey
An online business skills survey has been undertaken annually by the Regional Skills Partnership in conjunction with Data Cymru since 2016 and this has been repeated in 2018.

The Regional Skills Partnership has received a draft report and the responses from employers have been used to inform template recommendations and this report for 2018. A final draft of the results will be published by the end of September 2018.

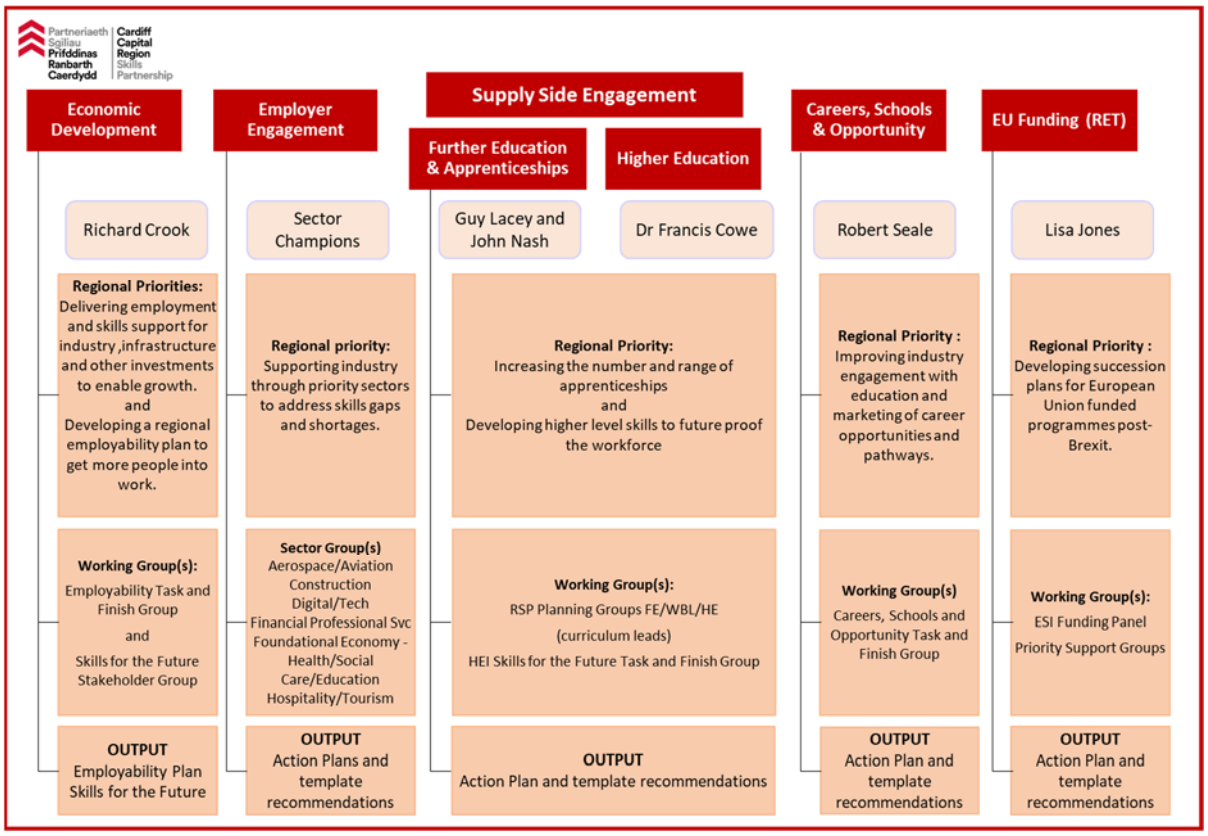
Meetings, Networks and Events

The Regional Skills Partnership and members of the employment and skill board support wider employer engagement activities by attending and/or presenting at meetings, networks, conferences and events as required.

Section 6: Stakeholder Engagement Strategy

Employment and Skills Board and Pillar Champions

Employment and Skills Board members represent and are asked to facilitate engagement through supply side structures across the region, including work-based learning, further education, higher education, adult and community education, careers, schools and local authorities, amongst others. In addition to the sector champion roles already mentioned, the Board created 'pillar' champion roles to lead wider stakeholder engagement and delivery of the work programme through work-streams and working groups as follows:



Economic Development - Employability and Skills for the Future

Under the economic development work-stream an employability task and finish group with a varied membership from across a range of stakeholders meets regularly and is working with stakeholders to develop a regional employability plan. Whilst a stakeholder group has been created, with membership from across the skills landscape, to support the development of the City Deal Skills for the Future proposition. Sub groups are also brought together as necessary, such as the Higher Education group which is developing a regional graduate programme.

Supply Side Engagement – Further Education, Apprenticeships and Higher Education

The Regional Skills Partnership has during 2018 had a number of meetings with further education, including adult learning colleagues, to discuss the Skills Development Fund (SDF) proposals and there are plans to extend arrangements to include the Skills Priorities Programme (SPP) in the future. The Regional Skills Partnership is also working with curriculum leads from further education and has invited NTfW colleagues to explore and develop template recommendations with regards future increases and decreases to further education and apprenticeship numbers; this was kindly initiated by Guy Lacey and coordinated by Nicola Gamlin, Coleg Gwent, as Chair. Further education and NTfW colleagues are also a part of the City Deal Skills for the Future Stakeholder Group.

Higher education and HEFCW colleagues are part of a network coordinated by Dr Francis Cowe, which is used to engage HEIs and HEFCW in the work of the Regional Skills Partnership, this includes meetings once per term and discussions linked to the progression of degree apprenticeships in Wales. Higher education institutions, including the Open University, are also members of a task and finish group to develop a regional graduate programme as a part of the City Deal Skills for the Future proposition.

Careers Schools and Opportunity – Careers, Local Authorities and Schools

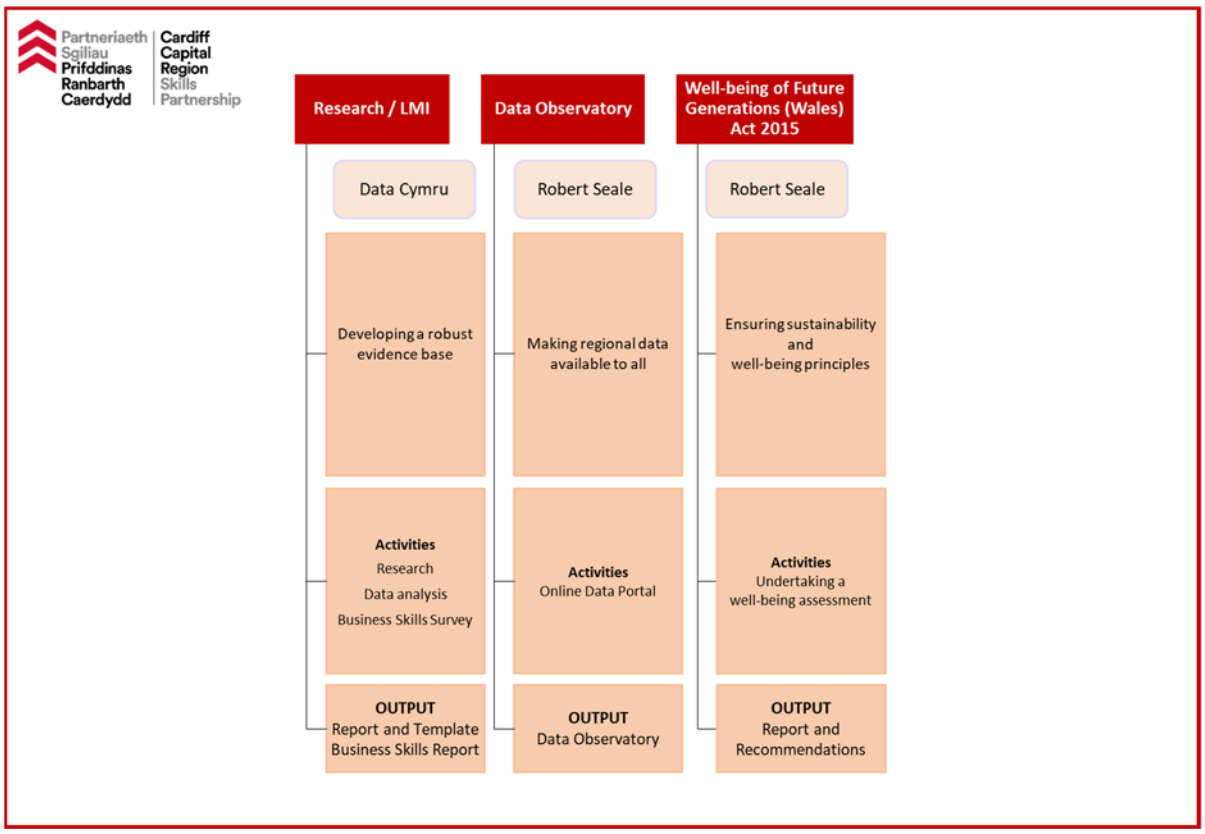
A task and finish group with a range of stakeholders including local authorities, Careers Wales and others are developing an action plan to support the 2017 employment and skills plan, with activities to support engagement with local authorities and schools. This will also be used to inform the development of the City Deal Skills for the Future proposal.

Regional Engagement Team – EU Funding including ESF

The Regional Engagement Team (RET) supports the ESI funding panel and three priority support groups which involve a range of stakeholders. The RET also organises regular stakeholder and information events to which a wide variety of stakeholders attend.

Other Workstreams – Research and LMI, Data Observatory and the Well-being of Future Generations

Currently a further three additional workstreams exist in support of the Regional Skills Partnership work programme, delivering outcomes in the areas of research/LMI, the Data Observatory and more recently the Well-being of Future Generations Act, these are not supported by working groups.



Section 7: Support for City / Growth Deals

The Cardiff Capital Region Skills Partnership and Employment and Skills Board are integrated within regional structures as a part of the Cardiff Capital Region City Deal (CCRCD). The Cardiff Capital Region Skills Partnership is managed by the CCRCD Programme Management Office and its Employment and Skills Board is formally recognised as one of four Regional Partnership Boards which are supported by the CCRCD and which act in an advisory capacity to the Cardiff Capital Region Cabinet. The Regional Skills Partnership and Employment and Skills Board support the delivery of a shared Cardiff Capital Region employment and skills agenda for the City Deal and Welsh Government.

The Cardiff Capital Region employment and skills function is delivered by a small team, not yet fully staffed, within the Cardiff Capital Region Programme Management Office. The work programme accommodates both the Welsh Government requirements of RSPs, as identified by contract requirements plus delivery of the City Deal five-year business plan. This includes support for regional partnership boards such as the Employment and Skills Board, Regional Skills Partnership activities, development of skills delivery and investment proposals, such as the 'Skills for the Future' programme and the consideration of employment and skills aspects of other investment proposals submitted to the City Deal Wider Investment Fund.

The Cardiff Capital Region Strategic Business Plan for the City Deal Wider Investment Fund http://www.cardiffcapitalregioncitydeal.wales/ccr-business-plan/CCR-Strategic-Business-Plan.pdf identifies the following regional priorities for employment and skills:

1. delivering employment and skills support for industry, infrastructure and other investments to enable growth;

2. supporting industry through priority sectors to address skills gaps and shortages;
3. developing higher level skills to future-proof the workforce;
4. increasing the number and range of apprenticeships;
5. improving industry engagement with education and marketing of career opportunities and pathways;
6. developing a regional employability plan to get more people into work;
7. the co-design of the DWP Work and Health programme.

The Skills for the Future proposal will provide a skills delivery programme for the City Deal that will work in conjunction with the planning and funding role of the Regional Skills Partnership. It is designed to meet regional challenges originally identified in the 2017 Cardiff Capital Region Employment and Skills Plan and five of the regional priorities identified above form its primary spending objectives. The development of a regional employability plan to support people into work, is also being taken forward through the Cardiff Capital Region City Deal and there is currently a task and finish group taking this forward, whilst work to support the co-design of the work and health programme has concluded.

Section 8: Wellbeing of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 (the Act) requires public bodies in Wales to think about the long-term impact of their decisions, to assess how sustainable they are, and to work better with people, communities and each other. The Act also asks public bodies to act to reduce persistent problems such as poverty, health inequalities and climate change.

To ensure that all public bodies are working towards these aims, the Act includes seven well-being goals:

- a prosperous Wales;
- a resilient Wales;
- a healthier Wales;
- a more equal Wales;
- a Wales of cohesive communities;
- a Wales of vibrant colour and Welsh language; and
- a globally responsible Wales.

Public bodies should be working towards achieving all seven goals.

The Act also contains five ways of working needed by public bodies to achieve the seven well-being goals:

- long-term;
- integration;
- involvement;
- collaboration; and
- prevention.

The ways of working should be embedded in all services, planning and strategies that public bodies undertake.

The Cardiff Capital Region Programme Management Office is working with the office of the Future Generations Commissioner for Wales to undertake a Well-being and Future Generations assessment of the Skills for the Future Business Case and the Cardiff Capital Region Employment and Skills Plan 2017. The assessment will both test a framework for future use by the City Deal and also whether the content and recommendations within both documents are consistent with the principles and ways of working defined by the Act and work towards the stated well-being goals. The outcome from this assessment is anticipated for delivery by March 2019.

Section 9: Labour Market Intelligence

Methodology

We have used Labour Market Intelligence to inform our stakeholder engagement and skills plans. Our aim has been to start with the best long term projections available for the region; to test whether they hold true to date; and to develop further intelligence and data on the current situation within individual industrial sectors. We have provided an analysis of our priority sectors.

The Regional Labour Market Intelligence Reports (RLMIR) contain a range of data which help to paint a picture of the current labour market and projections going forward.[7] To improve our analysis, we have procured access to Emsi Labour Market data.[89] For this year, we have used this data to supplement our analysis, provide additional context, and to probe specific questions we have raised using publicly available data from the RLMIR. We will further investigate how this data can be used in our planning over the coming years.

The Working Futures 2014-2024 data provides employment estimates and broad directions of travel for many industries. Where possible and robust, we have compared these estimates with current data to assess whether sectors within the regional economy are growing and/or shrinking in line with earlier projections. By doing this, we can get an insight into the relative 'health' of an industry and can use it as the basis of our analysis. Building upon this analysis, we have used additional data from sources such as the most recent Employer Skills Survey to provide further context on specific gaps and shortages[10] in these sectors.

It should be noted that, while Working Futures offers robust long-term projections, the usual caveats around using long-term projections apply. The most recent report is from 2014 and there will be variables over the past four years which have impacted on the economy, hence variations between projections and actuals. The most recent report was released before the European Union Referendum of 2016 which will have had, and will continue to have, a significant impact of the region.

Comparisons for different industrial sectors using different data sources can be challenging. Data sources typically tend to use the internationally recognised Standard Industrial Classification codes (SIC Codes) to categorise industrial activity into different sectors. These codes are at four different levels ranging from the broadest groupings (such as manufacturing) to highly detailed and specific categories within each sector (such as the manufacture of tobacco products). There can be significant variations in

terms of which categories and agglomerations different data sources use. Additionally, there can be issues around what data is available at different geographies, with data typically getting harder and harder to obtain at smaller geographies. Where possible, and where data between sources has a fit, we have made these comparisons. Where we have encountered difficulties making these comparisons, we have detailed some of the issues and added caveats around the comparison. A full table of our comparisons by industrial sector are available in the annex.

Production

Due to variations in the categorisations of data, comparisons for the advanced materials and manufacturing sector are difficult to make. For the purposes of robust analysis, comparisons have been made across the production sector which includes some other manufacturing industries.[11] Employment in the production sector was projected to fall from 82,200 people to 72,200 between 2014 and 2024. It is estimated that as of 2016 there were 82,100 employed in the sector. The sector, counter to projections, appears to be largely unchanged in terms of the number of people it employs. This suggests that within the region, the production sector is proving to be relatively stable and continues to be a significant employer.

Table 1 Sub-Sector Employment Figures

Sub-Sector	Estimated number of people employed 2014	Projected number of employees 2024	Estimated number of employee as of 2016
Food drink and tobacco	10900	11100	82100
Mining and quarrying	-	-	
Rest of manufacturing	52400	47400	
Electricity and gas	3400	3800	
Water and sewerage	6200	7200	
Engineering	9300	6700	

The sector has a reported skills shortage of 10% which is the second highest across the region. There is a reported skills gap of 25% which is the highest in the region. This suggests that the labour market is currently not meeting the needs of this sector.

Emsi data suggests that the most prevalent occupations for the manufacturing industry within our region are; production managers and directors; metal working production and maintenance; food, drink and tobacco process operatives; elementary storage occupations; packers, bottlers, canners and fillers.

Construction

Table 2 Construction Employment Figures

Sub-Sector	Estimated number of people employed 2014	Projected number of employees 2024	Estimated number of employees as of 2016
Construction	43200	46900	45000

The Construction sector was projected to grow from 43,200 people to 46,900 between 2014-2024. It is estimated that as of 2016 there were 45,000 people employed in the sector. The sector is showing modest growth in terms of employment numbers as

projected. The sector has a reported skills shortage of 8% and a reported skills gap of 16% which are both slightly above average for the region.

Emsi data suggest that prevalent occupations within this sector for the region are; electricians and electrical fitters, production managers and directors in construction, elementary construction occupations, carpenters and joiners, plumbers and heating and ventilating engineers. The Construction Industry Training Board (CITB)[12] has estimated that the following occupations within the construction sector have seen the greatest demand across the region in 2017: wood traders and interior fit-out; non-construction professional, technical, IT and other office based staff; plumbing and heating, ventilation and air conditioning trades; other construction process managers; electrical trades and installation; bricklayers; painters and decorators.

The Human Foundational Economy

Table 3 Human Foundational Economy Employment Figures

Sub-Sector	Estimated number of people employed 2014	Projected number of employees 2024	Estimated number of employees as of 2016
Public admin. and defence	43800	43400	
Education	67600	66900	205200
Health and social work	102200	105800	

The human foundational economy (health, social care and education) is a priority sector for the region. Working Futures 2014-2024 projected employment in education to experience a small fall from 67,600 in 2014 to 66,900 in 2024. Employment in human health and social work activities is expected to rise from 102,200 in 2014 to 105,800 in 2024.

Contemporary comparisons for these industries using publicly available government data sources are not possible as the data for the region is available only at broad sector level, which also includes public administration and defence. At this level, the sector was projected to grow from 213,600 to 216,100 employees over the period. However, as of 2016, it was estimated to have shrunk to 205,200. At a Wales level, both education and human health and social work activities have seen falls in employment numbers between 2014 and 2016, with the latter showing a significant fall from 209,400 to 205,100, against the projected trend.

Education has a reported a skills shortage of 2% which is the second smallest in Wales. It has a reported skills gap of 19%. Health and social work has a reported skills shortage of 5% and a reported skills gap of 13% which are both slightly below average for the region.

These numbers demonstrate a need to further interrogate the human foundational economy as the sector's current trajectory appears to be at odds with projections. To better understand this, we have used Emsi data which suggests a decline in employment in human, health and social work activities across the region between 2013-2016 before a large rise in 2017. Additionally, care workers and home carers, and nurses, are reported to be the two fastest growing occupations in the region and vacancy data shows this industry has been advertising for roles. Hospital activities is also reported to be the fastest growing industry in terms of employment. Given this,

we believe that this fall in employment may not be representative of the medium-term trend.

The most prevalent occupations within this sector for the region according to Emsi are; care workers and home carers; nurses; nursing auxiliaries and assistants; and primary and nursery education teaching professionals.

We will continue to monitor employment numbers within this sector over the coming years and further consult with industry representatives to better understand the direction of travel for this sector and to assess where challenges may lie. We will plan accordingly if the sector is not growing as predicted.

Financial, Legal and Professional Services

Another priority sector for the region is financial, legal and professional services. Sub-sectors within this priority sector show a mixed picture. Employment in real estate is showing a very small drop counter to projections. Finance and insurance is showing modest growth in line with projections. Professional services and support services were estimated to employ 90,100 people as of 2016 which is close to the combined projected 92,700 for 2024. This suggests these sub-sectors may be growing at a faster rate than anticipated.

Table 4 Financial & Professional Services Employment Figures

Sub-sector	Estimated number of people employed 2014	Projected number of employees 2024	Estimated number of employees as of 2016
Finance and insurance	19500	23400	20900
Real estate	11900	12900	11800
Professional services	34500	39400	90100
Support services	48900	53300	

Finance and insurance has a reported skills shortage of 4% which is amongst the smallest for the region. It has a reported skills gap of 23% which is amongst highest in Wales. This suggests that while the sector has few problems hiring new staff or calling upon the labour force, its workforce does require additional training and support. Real estate, professional services, and support services have reported skills shortages of 6% and skills gaps of 13% which are close to average for the region.

Emsi data suggests that the most prevalent jobs in the region within this sector are bank and post office clerks; pensions and insurance clerks and assistances; finance and investment analysts and advisers; financial institution managers and director; and financial accounts managers.

ICT and Digital Technologies

Comparisons for ICT and digital sectors are not easy and present a significant challenge with current publicly available datasets. ICT is becoming embedded in more and more sectors as the economy transitions to a ‘digital economy’. Activities prioritised by our region can cut across several industries - particularly creative and arts.[13] To overcome this challenge, and using Emsi, we have been able to create an ICT and digital technologies aggregation of industries that matches what the UK government consider to be digital economy industries.[14]

Emsi data suggests that this priority sector employs 21,010 people as of 2017. By 2024, it is estimated to employ 24,057 people. The most prevalent jobs for this sector within the region are programmers and software development professionals; information technology and telecommunications professionals; IT specialist managers; sales accounts and business development managers; IT business analysts, architects and systems designers.

It is not possible to identify skills gaps and shortages across this sector due to the way the ESS survey is categorised. Given these limitations, we will consider the ICT and digital technologies to be an area requiring greater attention when planning our Business Skills Survey in future years.

Vacancies

While we have a picture of employment figures in individual sectors, understanding the number of vacancies in industries is more challenging.

Emsi data allows us to see the number of vacancies across the region for individual occupations. While this does not provide a sectoral breakdown of vacancies, it does provide additional intelligence and plays a crucial role in showing where career opportunities exist.

Table 5 Regional Vacancies

Occupation (SOC)	Unique Postings (Jan 2016-May 2018)	Median Posting Duration (Days)
Nurse	12,960	31
Book-keepers, payroll managers and wages clerks	7,225	30
Care workers and home carers	6,407	33
Sales accounts and business development managers	6,364	30
Business sales executives	5,748	30
Customer service occupations n.e.c	5,630	30
Programmers and software development professionals	5,505	30
Primary and nursery education teaching professionals	4,424	33
Other administrative occupations n.e.c	4,004	20
Metal working production and maintenance fitters	3,982	30

Source: Emsi 2018.1 data

Skills Gaps and Shortages across All Sectors

The Employer Skills Survey has not been updated since our last report and therefore our intelligence remains unchanged. We will assess the results of the new Employer Skills Survey, due in summer 2018, and plan accordingly.

Section 10: Brexit

Assessing the impact of Brexit on the region is difficult given the United Kingdom's future relationship with the European Union is yet to be determined. It is safe to assume that there will be an impact on migration figures to both the United Kingdom and Wales. We have considered pursuing qualitative research methods, such as surveys and interviews, to understand how employers assess these impacts. However,

we also recognize that evidence may not be particularly useful for planning as it is "a topic that attracts a lot of discussion, not all of it well-informed".[15]

Migration to the United Kingdom can be linked to reported skill shortages. These are typically understood to be high-skilled jobs which have been filled by European Economic Area (EEA) migrations – especially from those countries which were in the EEA before 2004. However, there have also been reported skills shortages in medium or low skilled jobs which have been filled by EEA migrations from New Member States (those joining the EEA post-2004). We recognize that Brexit is likely to have different impacts on industries and jobs which are traditionally seen as highly skilled or low skilled and those industries that have reported skills shortages.

Compared to other parts of the UK, such as London, Wales has a relatively low foreign-born population. 2.5% of Wales' population born in the EEA. 0.9% were born in an EU-13+ member state and 1.6% from a post-2004 New Member States.[16]

In Wales, the biggest industrial sectors employing EEA born workers were manufacture of food and beverages (25.6%); accommodation and hospitality (5.4%); non-professional admin and support service activities (3.9%); other manufacturing (3.4%); and health (3.1%).[17]

Table 6 Top 5 Sectors (MAC Taxonomy) for European Economic Area born share of the Workforce

Sectors	Wales (%)
Manufacture of food and beverages	25.6%
Accommodation and hospitality	5.4%
Non-professional Admin & Support Service Activities	3.9%
Other manufacturing	4.0%
Health	3.1%

Source: Migration Advisory Committee

We will pursue future engagement with our partners and representatives from industrial sectors as the nature of the UK, and in turn Wales and the region's, future relationship with the EU becomes clear. Attention will be given to the impact on both high skilled and low skilled migration and in turn the emergence of any skills shortages which cannot be filled by migration.

Research shared by the hospitality and tourism sector highlights that the dependency on European migrants varies between businesses. Hospitality businesses reported between 20-80% of their workforce were European migrants demonstrating that future rules on migration are likely to have a significant impact on the sector. Brexit is likely to compound existing skills shortages in the sector with businesses reporting difficulty recruiting in roles such as; housekeeping, maître de, chef, and skilled back office jobs. This research has further highlighted the need to examine the impact of Brexit sector by sector as the future relationship with European becomes clearer.

Section 11: Careers Advice and Guidance

We recognise a need to better tailor careers information, advice and guidance to meet the needs of the regional economy and address a skills mismatch, where subject and occupational choices do not reflect future employment opportunities. While we can

engage with education partners to better tailor curriculums and course selection to better fit the needs of the region, more work is required to ensure people see these opportunities as viable career options that will lead to employment opportunities. There is a need to continually improve our evidence base and to work in partnership with industry and wider stakeholders to ensure access to industry supported, high quality and engaging careers activities, information, advice and guidance for all.

Infrastructure Projects
We have identified several infrastructure projects that will create substantial job opportunities for people within the region.

South Wales Metro
Transport for Wales have made initial job projections for the Metro project. They have compared the labour demand generated by the Transport for Wales projects with the forecasted total demand for Wales.[18]

For construction, the labour demand is relatively small compared to all Welsh activity. In terms of construction in employment, the project will peak in 2021 and will employ about 280 people per year.

Demand will exist for occupations running the rail system. In In the peak year of forecasting, there will be a demand for 225 electrical technicians; 141 track operatives; 128 signalling advanced technicians; and 112 electrification engineers. By 2023, it is projected there will be significant skills gaps across signalling and communications (240 people), track (320 people) and electrification (320 people).

Transport for Wales have also identified challenges such as a need to promote opportunities through careers information, advice and guidance and tackle the gender imbalance to attract women and increase those choosing to study engineering – an issue not only in terms of equality but also a restricted labour supply. Succession planning is needed to address an aging workforce. Crucially, while they recognise that the supply of engineering courses across Welsh further education and higher education institutions and work-based learning providers is good, there is a lack of specialist resources for rail systems training.

Compound Semi-Conductor
The development of the Compound Semiconductor Cluster in the Cardiff Capital region has the potential to create up 5,000 jobs. This collaborative venture has the potential to position the region as a world leader in compound semiconductors, with job creation in highly skilled, specialist and high value-added occupations.

Employment in the CS Cluster is estimated to grow from 1,500 to 2,400 employees across the existing CS organisations in the region with up to a further 2,600 additional high-value jobs expected to be created within start-up organisations and inward investment by 2024.

In addition to new jobs, there is significant projected replacement demand in the cluster with older staff likely to retire over the next decade. In terms of skills, there are very few ‘readymade’ potential employees in the cluster with upskilling and re-training typically required for all new recruits. Many companies in the cluster operate apprenticeship programmes at Level 3-5 and some play a role in degree apprenticeships at Level 6, however there is a need for a wider range of apprenticeship

options dedicated to CSC technologies. Many also offer work placements to higher education students. It should be noted that across the UK, demand for graduates in the electronics sector is exceeding supply.

The demand for technical and specialist skills across the cluster range from research and development, process and equipment engineers, operations staff and cleanroom technicians, through to power, RF, optoelectronics and materials specialists. Skills needs span all levels, from three through eight, with demand for apprentices and graduates through to PhD. Anticipated growth, an ageing workforce and replacement demand are predicted to outstrip the supply of suitably skilled labour, which will force some recruitment from overseas.

Future skills and labour challenges therefore require a strategic response to create a 'pipeline' of talent over the next decade. Apprenticeships will continue to play a role but an expanded offer is needed. Businesses in the cluster have also expressed a desire for shorter, more flexible and modular based training courses to upskill existing employees and meet immediate needs, in parallel with the evolution of existing and/or new programmes better suited to the demands of the cluster, with recruitment in sufficient volumes, to address medium to longer term needs.

Hinkley Point C Nuclear Power Station

The £18bn investment to construct a new nuclear power plant in Somerset is projected to create 26,000 jobs and apprenticeships. 64% of this investment is projected to be secured by UK businesses demonstrating that it will create significant opportunities across the wider supply chain.[19] The following jobs will be available on site at different phases of the ten-year project:

Table 7 Hinkley Point Work Phases

Phase	Occupations needed
Phase 1 – Earthworks	Plant operatives, project managers, earthworks operatives, catering and hospitality
Phase 2 – Civil construction	Steel fixers, facilities management, construction supervisors, logistics, crane and lifting operatives, concrete operatives, carpenters and formworkers
Phase 3 – Mechanical, electrical and air conditioning	Mechanical and electrical engineers, HVAC operatives, skilled welders
Phase 4 - Commissioning	Maintenance engineers, electrical and instrumentation engineers, technicians, physicists and chemists, cable pullers
Phase 5 – Site clearance and landscaping	Landscapers, grounds maintenance

Source: EDF Energy[20]

Other Projects

The Construction Industry Training Board (CITB) publish an analysis of significant construction projects in the region. As of 2017, there was estimated to have been £1,462m of spending on projects across the region. There were significant projects clustered in Cardiff and Newport with a small number around Cwmbran, Merthyr Tydfil, and Pontypridd. Spending on infrastructure and new housing accounted for 55% of construction spend across the region. There was a good mix of infrastructure projects across the region with construction spending estimated to be in the following areas:

Table 8 Construction Spend 2017

Project Type	Construction spend in 2017 (2016 values - £m)	% of total
Energy	197	43
Transport	128	28
Water	92	20
General Infrastructure	20	4
Flooding	15	3
Communications	5	1
Total	457	100

Source: Construction Industry Training Board[21]

Key Sectors

Labour Market Intelligence has confirmed that the key sectors we identified for the region last year remain the same and they will continue to be major employers in the region. Analysis will be extended in 2018/19 to include hospitality and catering and aerospace and aviation.

Using Emsi data, we have identified a better and more accurate picture of what jobs are most prevalent within these sectors for the region. We also recognize that while occupations may be a large part of a sector now that does not necessarily mean they offer career opportunities for those looking to enter the sector in the future. We will continue to engage with industry representatives and monitor the impact of potential drivers of change such as automation. We also recognize that for some sectors, such as advanced materials and manufacturing, we wish to see a transition to higher value-added occupations than we have now.

Table 9 Jobs by Sector

Industrial Sector	Jobs
Construction	Electricians and electrical fitters Production managers and directors in construction Elementary construction occupations Carpenters and joiners Plumbers and heating and ventilating engineers.
Financial and Professional Services	Bank and post office clerks Pensions and insurance clerks and assistances Finance and investment analysts and advisers Financial institution managers and director Financial accounts managers
Manufacturing and Advanced Materials	Production managers and directors Metal working production and maintenance Food, drink and tobacco process operatives Elementary storage occupations Packers, bottlers, canners and fillers
The Human Foundational Economy	Care workers and home carers Nurses Nursing auxiliaries and assistants Primary and nursery education teaching professionals
ICT and Digital	Programmers and software development professionals

Industrial Sector	Jobs
	Information technology and telecommunications professionals IT specialist managers IT business analysts, architects and system designers Sales accounts and business development managers

Source: Emsi 2018.1 data

Section 12: Further Education and Apprenticeships

Building on our labour market intelligence, we have compared provision at further education institutions and apprenticeships in the region with the future state of the economy. Our main two aims have been to:

- identify whether there are sufficient numbers of people being trained in areas that feed into future jobs;
- to identify where there is a clear mismatch between provision and the future state of the economy.

This analysis forms the basis of our recommendations to Welsh Government. The full matrix we have used to support these recommendations is in the annex. We have used this matrix to make broad judgements. There are several issues that make direct, exact and quantifiable comparisons impossible to make:

- fundamentally, there is not a direct link between further education courses and industrial sectors. Individuals may go on to work within the sector *related* to their course, may choose to exercise their skills in another sector (for example, information and communication technology can feed into several industries), or they may choose to change their career path. We have used the look up provided by Welsh Government as the basis of our work;

- as per the issues identified in our labour market analysis, datasets are categorised differently, and it can make comparing different sources of data challenging;

- apprenticeships can be more 'embedded' in the workforce in some sectors, representing a rolling part of the labour force, than others, with a high proportion of apprenticeships used for upskilling the numbers will represent existing employees as well as new. Similarly, were they not apprenticeships, it is likely these roles would need to be filled by other means. Treating these as directly and quantifiably comparable with further education courses is unwise and may explain why our 'combined' provision figures for some sectors in which we know skills gaps and shortages exist is so high;

- our data focuses purely on the region, but people are mobile and may choose to migrate to other regions to use their skills. Similarly, people who studied outside the region may flow into the region to work here.

Our analysis has led to the following findings.

1. **Sufficient Overall Provision in Advanced Materials and Manufacturing (AMM), and Construction**

There is sufficient further education provision in both the advanced materials and manufacturing (AMM) and construction sectors. From our labour market intelligence, we know that AMM is, counter to projections, not showing a decline in employment numbers. Construction is also growing and there appears to be enough students choosing to study this subject to meet future demand, however, progression is an issue particularly from level one into levels two and three. We are consulting with working groups from the industries to understand if there needs to be a shift in numbers between courses and levels for both sectors.

2. **Significant Mismatches in Retail and Hospitality**

There is a significant mismatch in retail and hospitality related courses. At a broad level, there are not enough people studying subjects to meet the overall labour demand of Retail and Hospitality. However, over half of this demand comes from Wholesale and Retail for which there are no courses available. 71% of courses are related to Hair, Beauty and Therapy which is a very small part of the overall labour demand. Additionally, there is significant expansion and replacement demand in Accommodation and Food yet there is comparatively little provision in related subjects. We are therefore recommending a decrease in Hair, Beauty and Therapy courses and an increase in Hospitality and Catering, and Professional Cookery.

3. **Health and Social Care numbers**

We note that future demand in Health and Social Care is not being met through further education provision but there are many apprenticeships. Most apprenticeships are in the areas of health and social care, and children's care however there is a stated shortage for childrens care at level three. We also recognise that part of this labour demand will be met by part-time study and graduates from higher education with nurses, doctors and other medical professionals being trained at universities.

4. **Little Further Education Provision in Financial and Professional Services**

Compared to the growing expansion and replacement demand in financial and professional services there are few students studying financial and affiliated business, administration and law subjects through full-time further education provision. We do not believe this constitutes a major significant labour shortage. Our labour market intelligence and engagement with the sector confirms this. We believe this sector is more likely to be filled by graduates from higher education. However, we also recognise that:

- this industrial sector contains occupations which do not require a degree, and this may be an area further education colleges will need to fill;

- there needs to be pathways into this sector for those who may not have attained the necessary grades to pursue higher education upon finishing compulsory education as well as those who wish to change their career. Further education colleges will play a role in this;

- there are a very large number of apprenticeships related to this industrial sector, however these are primarily in generic subject areas such as business administration rather than technical and specialist subject areas linked to the sector.

We will therefore consult further with both the sector and further education colleges to better understand if this is a sector that would benefit from an increase in full-time further education provision.

5. **Oversubscriptions in Further Education Courses for Creative Industries**

There are large numbers of students studying further education courses affiliated with creative industries. As per our labour market intelligence, we recognise that some of these students will progress into the wider creative digital economy but a number of these students are in courses in which only a proportion of students may follow that path. The projected expansion and replacement demand for affiliated industrial sectors, such as arts and entertainment and media, are also relatively small. We are recommending decreases in this area.

6. **Difficulty in Assessing Tourism and Leisure**

It is difficult to assess whether there is sufficient provision in tourism and leisure related further education subjects. The sector contains a mixture of subjects covering exercise and fitness, leisure management, and travel and sports. There is also no direct comparable industry for these subjects; graduates may go on to work in wholesale and retail, accommodation and food and other sectors. The numbers for sports and leisure is high and suggests oversupply, we are recommending decreases in this area.

7. **ICT & Digital**

There are large numbers of students studying Information and Communication Technology compared to the total labour demand for directly related subjects. Given the wider digitalisation of the economy, these skills are increasingly required across large parts of the economy. Those graduating from this subject are likely to flow into many different industries. We do not believe this requires action.

8. **Qualification Levels**

There is a need to encourage greater progression from level one to levels two and three across a range of subjects to meet a growing trend towards the demand for higher level skills. There is also a need to recruit higher numbers directly into levels two and three and support progression through to levels four and beyond. There is recognition of the need for level one programmes as a pathway, particularly for those who would otherwise be NEET but progression is key if the region is to move towards a larger proportion of further education courses and apprenticeships that will deliver achievements at level two and beyond.

Our subsequent recommendations, taking account of all our intelligence and knowledge, are available in the planning and funding template within the annex.

Section 13: Skills Development Fund

The Regional Skills Partnership and further education colleagues met to discuss and broadly agree submissions to the Skills Development Fund (SDF). The 2017 Employment and Skills Plan was identified as the context for submissions and the basis of any support offered from the Regional Skills Partnership. Unfortunately, the timeframes dictated by Welsh Government did not allow for the Employment and Skills Board to be consulted prior to support or otherwise being given and this was a

frustration for the Board who were only able to review the list of proposed provision after the submissions had been made.

A key challenge for the Regional Skills Partnership is that the Employment and Skills Plan for 2017 identifies strategic priorities from areas of common interest/need at the regional level, and recommendations that are specific to a small number of priority sectors, only some of which make reference to specific learning programmes. The analysis of supply has therefore been driven by these demands and the issues emerging from those sectors, rather than offering a comprehensive analysis across all sectors and all available provision. This is particularly the case in relation to the analysis of entry and lower level provision through employability programmes. A key consideration therefore, when considering whether provision is to be supported, is whether the plan has been sufficiently definitive about the provision and level required to inform SDF bids, and whether the breadth of the priorities and recommendations offered inherently support some of the provision outlined for inclusion by providers. In response the 2017 Plan has been used throughout as the reference point when considering support for provision and where priorities, recommendations or content expressing areas of need are broad and not definitive then, in the interests of fairness and transparency, Regional Skills Partnership support has been given. For each subject area/activity included within the SDF submission, page references have been provided by the RSP, where appropriate, to cross-reference proposed provision to the 2017 Employment and Skills Plan.

In line with the guidance provided by Welsh Government a key focus for submission to the SDF in the Cardiff Capital Region has been towards, but not exclusively, adult and part-time programmes, from entry level through to Level 3 and access to higher education or full-time programmes targeted to meet investment priorities, skills gaps and shortages.

A combined list of the provision applied for under the SDF for the Cardiff Capital Region has been collated and separated (broadly) by level, this is provided in the tables within the annex.

Section 14: Skills Priorities Programme

The Regional Skills Partnership has engaged with employers across the region as described in section five and has identified skills needs, primarily at level four, which have been articulated within sector-developed action plans and recommendations. These form the basis of recommendations for the Sector Priorities Programme in the planning and funding template.

The Regional Skills Partnership has invited Further Education colleagues to share details of their Skills Priorities Programme operating plan templates.

Section 15: ESF

The South East Wales Regional Engagement Team (RET) is the lead for the for the Partnership's ESF work programme. The RET provides regular updates to the Regional Skills Partnership (RSP) team and Employment and Skills Board (ESB).

WEFO currently only provides headline data at a regional level, figures as of 6 July 2018 show that European Social Fund (ESF) delivery has resulted in:

Table 10 ESF Delivery Figures as at 6 July 2018

Participants assisted	62,617
Participants supported into employment	5,343
Participants gaining qualifications	23,369
Participants in education/training	2,997

The RET is now working closely with WEFO and operation leads to capture a more detailed picture of how ESF-supported delivery is contributing to the region's priorities.

RSP representatives sit on the CCR ESI Funds Panel, managed by the RET. This panel considers the strategic fit of operations, looking also at the potential for duplication and/or opportunities to work collaboratively, seeking to support aligned delivery across the region. The outcomes of the panel's discussions are reported back into the RSP by the RET Manager who sits on the CCR Employment and Skills Board.

In addition, the RET manages 3 regional ESF networks, which bring together the leads of all approved operations delivering within the region along with relevant WEFO officers. These networks provide the forum to discuss delivery issues, share best practice and also consider how operations might flex to take account of the changing economic climate and respond to gaps. Regular speakers attend to update on complementary programmes/initiatives such as the Work and Health Programme. The RET also hosts joint network information events, that provide regular one-stop-shop updates on key regional developments including the CCR City Deal and Welsh Government – Employability Plan and Valleys Task Force.

From April 2017 to July 2018 the following network meetings and information events have been supported:

Table 11 ESF Network Group Meetings

27/04/2017	SE ESF P3 Network Meeting
11/05/2017	SE ESF P2 Network Meeting
04/07/2017	SE ESF P3 Network Meeting
07/09/2017	SE ESF P1 Network Meeting
19/09/2017	SE ESF P2 Network Meeting
03/10/2017	SE ESF P3 Network Meeting
14/11/2017	SE ESF Networks Information Event
05/12/2017	SE ESF P1 Network Meeting
12/12/2017	SE ESF P2 Network Meeting
16/01/2018	SE ESF P3 Network Meeting
08/03/2018	SE ESF P1 Network Meeting
14/03/2018	SE ESF P2 Network Meeting
21/03/2018	ESF & Employability: Working Together for Cohesive Regional Delivery in South East Wales Event (focus on communication and links between pan-Wales/regional projects and WCVA Active Inclusion Fund approved projects)
27/03/2018	GDPR Workshop
03/05/2018	SE ESF Networks Information Event
07/06/2018	SE ESF P1 Network Meeting

13/06/2018	SE ESF P2 Network Meeting
10/07/2018	SE ESF P3 Network Meeting

The RSP and RET, whilst being two discrete teams that are hosted separately, are fully integrated through the arrangements that have been put in place.

The need to plan an effective exit strategy beyond Brexit and EU-funded operations has been recognised as one of our regional priorities. Working through the RET we will be risk and impact assessing EU-funded support services and seeking to determine priorities for succession plans post operation period and Brexit. This is an on-going action.

The CCR Employability Task and Finish group has been tasked with the development of a CCR Employability Plan for the region that will complement and inform Welsh Government's pan-Wales Employability Plan. The group has mapped current employability support, indicating where support is EU-funded. The RSP and RET will be working closely with key stakeholders to highlight and disseminate best practice, explore opportunities for delivery to be mainstreamed and raise awareness of future funding routes. As this is an ever-changing landscape the RSP and RET regularly review ongoing Brexit negotiations, developments regarding the future of regional investment in Wales and UK government's Shared Prosperity Fund.

Section 16: Employability and Regional Data to inform Working Wales

Skills Shortages for Employer Recruitment in the Region
At a national level skills shortage vacancies (SSVs) are reported to account for 24% of all vacancies in Wales (23% UK) (Employer Skills Survey 2015). These shortages are more prevalent in skilled trades (such as machine operators) and can consist of either technical and practical skills or people and personal skills.

At a regional level and with more focus on the experience of those supporting people with complex barriers work the emphasis is slightly different with significant demand in the care, retail and hospitality sectors. The demand for CSCS cards has increased with some identifying cleaning agencies requiring CSCS to allow cleaning on construction sites. Other areas of increasing demand included personal license qualifications and food safety.

The main sectors requested by those with complex barriers to employment include care, retails, administration, construction, hospitality and childcare, with some regional differences.

Sectors in decline
Our analysis shows a change in the UK reported contraction in the construction, public services and financial services sectors from the ESS in 2015, in which both construction and financial and professional services are showing growth rather than decline. Data from the Business Register and Employment Survey suggests additional contraction within the CCR in information and communication and also manufacturing between 2009 and 2015, however recent employment data suggests that manufacturing has remained broadly stable and that it is difficult to accurately predict

digital/ICT employment from the figures supplied as it is embedded within all sectors and the trend towards an increasingly digital economy is resulting in demand for these skills across the Board. Working futures predicted that employment within the food and farming sector would shrink and this is supported by current data. Employment in education and training is also predicted to experience a small reduction in employment terms. A small shrink in employment in Health and Social Care was not considered representative of demand within the sector, this has been bourne out as more recently it has been replaced by a significant increase in employment which is predicted to continue.

Demand for Specialist Provision
A wealth of specialist provision has been identified that operates across the Cardiff Capital Region (CCR) offered by various Welsh Government and public and third sector bodies. Those involved in the delivery of employability support have indicated that, whilst the current round of ESF-funded projects remains, there are only two areas where appropriate referral routes are more difficult:

- support for mental health concerns. There has been an increase in non-specialist projects offering "self-help" activities such as managing anxiety;
- employment support for ex-offenders.

Employers Key Elements for Recruitment
When considering factors other than technical skills and qualifications that employers are looking for a number of surveys and reports have suggested that soft skills or employability skills are considered by most employers to be at least as important.

The studies tended to report similar items within the classification of soft skills with the most common including: a positive attitude: work ethic; initiative, drive; reliability; commercial awareness; team working; flexibility/adaptability; personal presentation; organisation and timekeeping/time management; communication (verbal and written); problem solving; willingness to learn; numeracy/literacy; ICT skills.

Feedback from local employability providers highlighted the importance of flexibility in the current labour market with changes to employment models in terms of shifts, hours and the significant increase in the use of agency contracts but also a broadening of job descriptions with employers expecting increasing flexibility in job roles and cover for staff shortages.

Experience was the most often-quoted requirement on job adverts; required to demonstrate both the skills of the candidate and also an awareness of the working conditions of the job role. This can be a concern for employers uncertain about the commitment of the candidates to the job.

Employers Key Aspects detrimental to offering a Job following Interview
A review of recruitment agency advice and the Barclay Lifeskills survey as well as feedback from local employability provision has identified the following employer-centric reasons for a job interview failing to lead to a job:

- failing to prepare - this was common to all sources and includes researching the organisation and the job role. This is vital to making employers feel that candidates want the job on offer and linked to a number of the other reasons;

- failing to engage - candidates that did not make eye contact, appeared unenthusiastic or not to listen to questions and provided generic answers were considered poor and again raised concerns about their commitment to the job.

The full list can be found at Table 4 in Section 5 within the annex.

When considering the issue from a candidate's perspective a number of other factors were noted including access to transport or poor public transport links matching shift patterns, the transitional costs of employment and existing commitments on the part of the candidate (such as dependent care, other work etc.) which only become apparent when presented with the full details of the job.

What do Employers Require in terms of Skills Development support to Assist Employees?

The ESS notes that employers consider skills training to be the main method for tackling internal skills gaps: job specific skills account for 48% of skills gaps and 56% of employers fund or arrange such training. Other reported skills gaps (e.g. team working 56%, basic IT skills 30%) are not reported on under the training undertaken by employers.

The focus on job specific and legislative requirements for staff training could mask a weakness in the current provision where underpinning skills reported as skills gaps are not being identified and prioritised.

Many employers have reported increasing concerns about the ageing of their skilled workforce and the potential impact of future retirements. The worst case reported had 43 out of 80 staff approaching retirement age.

A range of other in-work support was also identified relating to the practical issues faced by individuals moving into employment with Remploy noting the importance of advocacy for individuals with disabilities and health conditions with employers being critical to maintaining employment, particularly in the first 3 months.

Section 17: Local Authorities and Schools

The Regional Skills Partnership has established a Careers, Schools and Opportunities Task and Finish Group to work with local authorities and other partners to improve industry engagement with schools and to promote present and future career opportunities to young people and those who influence them.

All members of the Task and Finish Group have existing school engagement activities and are collaborating to enhance and expand such activity. The Task and Finish Group has been created with the aim of *improving industry engagement with education and marketing of career opportunities and pathways* and has the following objectives:

- develops sustained engagement by industry with schools and colleges to foster education/industry links;
- supports continuous professional development of teachers and tutors in industry relevant skills;
- improves information/intelligence and marketing of career options linked to employment opportunities;

- uses industry engagement to challenge perceptions and promote parity between vocational pathways, apprenticeships and academic qualifications.

The Careers, Schools and Opportunities Task and Finish Group facilitates and supports the development and expansion of partner activity in areas related to the Regional Skills Partnership's 2017 Employment and Skills Plan. An action plan has been developed to implement key recommendations from the 2017 Employment and Skills Plan by March 2019 and to encourage a co-ordinated approach amongst local authorities, Careers Wales and other delivery partners. Activities currently include:

- **digital/Tech:** work with technology-focused organisations to raise awareness of opportunities within this sector amongst young people and those who influence them;
- **train the Trainer** - provide key messages from the Regional Skills Partnership's 2017 Employment and Skills Plan to council and school employees and share delivery material with partners across the Cardiff Capital Region;
- **advanced Materials and Manufacturing (AMM)** – creation of new AMM careers materials in partnership with industry to raise awareness of opportunities within this sector amongst young people and those who influence them;
- **Cardiff Commitment activity** - support industry engagement with schools to raise awareness of a wide-range of opportunities that are available in the Cardiff Capital Region. Cardiff's Autumn Education Convention, which will discuss curriculum, will be extended to include regional representation from all ten local authority areas;
- **development and Delivery of STEM materials** – create business-led STEM teaching and learning resources to engage young people and schools. The resources will be published online and will be open for use by all Cardiff Capital Region schools;
- **Newport Commitment development** – work in partnership with industry, the third sector and the private sector to connect children and young people to the vast range of opportunities available in the world of work.

In addition to the activity being developed in the action plan, the Regional Skills Partnership will continue to encourage and facilitate industry-led school engagement through the Careers, Skills and Opportunities Task and Finish Group.

Section 18: Higher Education

A comparison of higher education provision and the future labour market, as per our further education/apprenticeship analysis, is not possible. There is less of a clear path from higher education courses to specific industrial sectors as graduates can flow into many different industrial sectors pursuing multiple career choices.[22] It is not always possible to use destination data as response rates can be poor and there can be a lag between students graduating and them entering what they feel is their graduate job – they may pursue part-time work, short-term work, travel, volunteer, and so on. Across Wales, there does however appear to be a healthy mix of students enrolled across all higher education course areas.[23] We also know from our existing labour market intelligence that sectors with a high number of higher education graduates, such as financial and professional services, there are small skills shortages.

Table 12 First year Enrolments in Welsh Higher Education Institutions 2016/17

	All								
	Postgraduate			Undergraduate			All		
	Full Time	Part Time	All	Full Time	Part Time	All	Full Time	Part Time	All
Medicine & dentistry	300	810	1,105	2,260	5	2,260	2,555	810	3,370
Subjects allied to medicine	620	2,680	3,300	7,890	3,290	11,180	8,510	5,970	14,480
Biological sciences	1,715	720	2,435	12,635	1,215	13,850	14,350	1,935	16,285
Agriculture & related subjects	95	225	320	905	115	1,020	1,005	340	1,345
Physical sciences	735	110	845	4,675	365	5,040	5,410	475	5,885
Mathematical sciences	115	50	165	1,205	265	1,465	1,320	315	1,630
Computer science	450	105	550	3,980	870	4,845	4,430	970	5,400
Engineering & technology	1,165	235	1,395	6,380	2,240	8,620	7,540	2,475	10,015
Architecture, building & planning	350	140	490	955	670	1,620	1,305	805	2,110
Social studies	1,200	490	1,690	8,040	1,565	9,605	9,240	2,055	11,295
Law	620	320	940	2,755	445	3,200	3,375	765	4,140
Business & administrative studies	3,020	1,980	4,995	9,635	1,955	11,590	12,655	3,935	16,590
Mass communications & documentation	455	295	750	1,615	100	1,720	2,070	400	2,470
Languages	510	275	790	4,090	2,525	6,620	4,605	2,800	7,405
Historical & philosophical studies	270	425	700	3,115	690	3,800	3,385	1,115	4,500
Creative arts & design	460	460	920	6,890	580	7,470	7,350	1,040	8,390
Education	1,190	1,775	2,965	3,235	3,880	7,115	4,430	5,650	10,080
Combined	*	15	15	25	3,980	4,005	25	3,995	4,020
All	**13,275**	**11,100**	**24,375**	**80,280**	**24,750**	**105,035**	**93,555**	**35,850**	**129,405**

1. Figures have been rounded to the nearest five. Data entries less than five have been replaced with " * " and where there are no data "
2. FPE, full person equivalent.

Source: HESA Student record via Welsh Government

Higher level skills demands, primarily at level four, have been identified by sector groups covering Construction, Foundational Economy, Advanced Materials and Manufacturing. Further work is required to explore the development and/or delivery of appropriate solutions to meet these needs and specific needs identified by sectors for level four programmes have been identified in the SPP section of the template. Higher level skills needs identified by the sector groups include:

Advanced Materials and Manufacturing, courses need to evolve or be developed to take account of emerging technologies or new concepts in areas such as manufacturing, quality, materials science/chemistry, leadership and management. There is a suggestion from the sector group that some of this could be addressed by offering a refined IT degree apprenticeship, as the current programme only focuses on Electrical and Mechanical. The level four Master Craftsperson was also cited as an area of need.

The Compound Semi-Conductor Cluster has cited needs linked to CSC technologies at all levels, including higher level skills needs and degree apprenticeships.

Construction, there are limited options for Construction within higher level apprenticeship provision in Wales. Employers are keen to see higher level and degree apprenticeship options expand to both enable progression and attract A level or equivalent entrants to the industry. More work is needed to support progression from apprenticeships to higher education, as progression is currently low. The group considers that apprentices should have access to better information around progression options and opportunities, citing a lack of entry criteria information as well as inflexible delivery of learning provision.

Higher Education is represented on the construction sector group and it is suggested that there is a need to develop a closer working relationship between the sector and Higher Education, given the demand for higher levels skills in Construction is

increasing. For example, there is a demand for architects and surveyors which can currently only be met by recruitment from outside of Wales, given the integral nature of both occupations to every part of the construction process the sector suggests that consideration should be given to creating a supply of suitably skilled workers in Wales.

The removal of the level four Civil Engineering programme by USW was cited as an area of concern by the Construction group, but the RSP understands from Further Education colleges that this has been resolved by going to direct to Pearsons to source the underpinning qualification. There is a residual question around whether the maths skill levels of those at level four are sufficient to support progression to degree, this requires further exploration. Civil engineering has also been identified by the sector as a key area for the development of a degree apprenticeship.

The Foundational Economy sector has identified a clear need for level four pathways to support progression for higher level teaching assistants and consideration is also being given to whether there is demand for an ‘access to teaching’ pathway to broaden entry into the sector. It is important to note that gaps exist at level four for both pre and post 16 learning and development professionals, this will require further exploration. A need has also been identified for level four programmes to support the Ambulance Service, Healthcare Science and Healthcare Therapy.

The Financial and Professional Services sector has identified satisfaction with current provision, with the sector content to further develop recruits as required and through internal development programmes.

All sector groups have identified some demand for degree apprenticeships but with no clear policy in this area for their future funding and development, there is a risk of stimulating interest amongst employers for a solution that cannot be delivered. Much of the increasing demand for degree apprenticeships would appear to be as a result of developments in both England and Scotland, which are considered to be further ahead and there are frustrations that the position in Wales is unclear. It is suggested that open dialogue is needed with sectors around practical considerations that impact the introduction of degree apprenticeships, including the costs and any planning and funding considerations that are needed, to ensure a balanced response to the demand for apprenticeships across all levels.

Currently sector groups have identified the following areas for the development of degree apprenticeships:

Advanced Materials and Manufacturing, degree apprenticeships in Engineering and Science are coming out as a common theme, alongside the development of a refined IT degree apprenticeship that takes account of emerging technologies as the current programme only focuses on Electrical and Mechanical.

The Compound Semi-Conductor Cluster considers the potential to develop degree apprenticeships linked to CSC technologies.

Construction, degree apprenticeships for civil engineering, architects and surveyors have been identified.

The Human Foundational economy, covering health, social care and education have identified a need to increase the range of apprenticeship options, including degree apprenticeships, for public service occupations.

The current HEFCW funding round for Degree Apprenticeships has also requested this data from HEIs and this has been submitted by institutions against specific targets and programmes for provision that can be funded. All universities are receiving requests for degree apprenticeships across a broad range of sectors and companies including those in engineering, construction, science and quantity surveying and leadership and management, not covered by the current policy approach. Higher level provision at Level 7 is also in demand. HEIs are cautious about putting out a call for numbers and do not want to raise expectation beyond current funded provision remits. List of employers who have cited Level 7 requirements include:

- Admiral Group
- BT
- CapGemini
- Cardiff University (University IT)
- DevOpsGuys
- GE Aviation
- InspireTech
- Renishaw
- BBC
- Cogent Power
- General Dynamics
- Sony
- National Statistics Office.
- Welsh Water
- DVLA

Section 19: Occupational Trends and Challenges (NOS)

The UK Government's 'The Future of Work Jobs and Skills in 2030' report highlighted a range of factors that would impact the future of jobs and skills.[24] Across the economy, they highlighted the following key scenarios:

Table 13 Key Selected Implications and Impacts

Key Selected Implications	Potential impact(s)
Basic skills for innovation	Life sciences, ICT, cognitive and nanotechnology drive product development across all sectors. Basic skills in these fields become necessary.
Converging technologies and disciplines	A growing need for multi-disciplinary and multi-national teams in research and product development is necessary to take advantage of business emerge from converging technologies.
Technical validation skills	With ICT and automation becoming embedded into all sectors, occupational and professional skills will need to be re-combined with technological literacy. New jobs arise in the field of checking and validating automated systems.
Rise of the 'cyber-doc' in healthcare	Technical innovations in healthcare allow for increasing automation of diagnosis. The ability to use complex electronic and digital medical equipment becomes a key requirement for medical staff.
Growth of the smart factory	Digitalisation of production sees the rise of the smart factory. Technologies such as semi-autonomous robots using 3D

Key Selected Implications	Potential impact(s)
	printers could be utilised meaning an increase in demand for high and medium-skilled technicians and engineers.
Increasing virtual workforces	ICT developments mean work can increasingly be carried out virtually and remotely. This could mean the increased use of freelancers and short-term employees. Company employees will face the task or orchestrating this wide network.
Online education revolutionises the education sector	There will be job losses in traditional jobs in higher education, especially lectures. There is an increase in online learning and skills acquisition. This is also likely to mean a demand for specialised examiners and tutors, as well as programmers and "edutainment" developers.

Source: UK Government 'The Future of Work Jobs and Skills in 2030[25]

We continue to be mindful of the growing impact of automation across the economy. However, we are also aware that much discussion to date is speculative, focuses disproportionately on job-losses and the replacement of workers by machines, and is largely focused on (inter)national trends. We are keen to understand both the positive and negative impacts of automation and the opportunities within our own region. Attention will be given to the Welsh Government's ongoing Review of Digital Innovation, Artificial Intelligence and Automation in Wales.[26] Going forward, we will use this intelligence to further engage with industry representatives to identify occupations, both existing and emerging, which will require new skills or qualifications.

Current intelligence from employers suggests the overwhelming skill requirement across our priority sectors is that of digital technology and ensuring that learning programmes keep up with these advances. For example, the advanced materials and manufacturing sector has identified a need for the upskilling of manufacturing operatives to meet the growing development of new technologies, this includes Industry 4.0, artificial intelligence and automation. Whilst the Compound Semi-Conductor Cluster has identified a need for educational programmes to support skills development in CSC technologies, including the potential for a dedicated apprenticeship pathway.

Learning programmes will also evolve in response to new technologies, for example the construction sector is currently looking at the use of 'immersive learning', using digital technologies such as virtual and augmented reality. This is considered by the sector as having the potential to revolutionise training delivery, to produce 'work-ready' employees, cost-effectively. It also has the potential to help reduce skills shortages, by using the technology to attract potential employees to construction and transform the perception of the construction sector to young people.

There are significant changes to the human foundational economy sector in terms of technology, with a focus on e-learning and moving towards 'born digital' and paper free environments. This presents challenges for the digital infrastructure, including access to appropriate computer hardware to support new software but also staff development and work practices, which are continually evolving to meet these new challenges, such as agile working policies. There are challenges for employees and learners, who may not be digitally competent, this is particularly relevant in some sectors such as health which has an aging workforce.

Further changes are anticipated due to Brexit, with some of the sectors finding future challenges difficult to predict due to the uncertainty of a post Brexit Britain. Staff replacement could become a challenge, alongside a need to train and upskill the workforce at all levels.

Recognition must also be given to the role of legislation and regulation in driving demand for skills, most of which is met due to their statutory nature or the duty placed on organisations to respond. The construction sector has introduced the health, safety and environment test for example which is currently being reviewed to ensure it continues to contribute towards a suitably qualified workforce, whilst in the social care sector, workforce regulations continue to drive demand for level two programmes. Similarly, in the human foundational economy, policies to support the Welsh Language are seeing an increase in demand for services delivered through the medium of Welsh, in the education, health and social care sectors.

Section 20: Green Growth

Green Growth requirements were shared with the Employment and Skills Board at their meeting on 24 May 2018 and there was challenge from members over whether this aspect of the report and the template questions were relevant to the remit of Regional Skills Partnerships.

Employer engagement and surveys undertaken with sectors since June 2018 have included specific questions related to decarbonisation and resource efficiency, focusing on where this is driving a skills demand, with a mixed response.

There are marked differences between sectors with regards action to improve carbon emission and resource efficiency. The best examples received by the Regional Skills Partnership were in advanced materials and manufacturing and construction, where this impacts both the design and development of more efficient products and services, the development and use of resources or materials including renewables, as well as efforts to reduce energy consumption and support recycling, whilst the digital/tech sector also makes significant contributions to this area, notably in the application of technology across sectors and services including improved solutions to communication and connectivity. Efforts to improve carbon emission and resource efficiency are less prevalent in hospitality and catering, whilst Public services that also form a part of the Foundational economy are, by their nature, required to have relevant policies and targets linked to carbon emission and resource efficiency, to support a Welsh Government defined sustainable development and Green Growth agenda.

Many of the new skills requirements are picked up more broadly through sector demands, defined in terms of skills gaps and shortages or occupational trends and challenges. Further work is needed, on a sector by sector basis, to determine which are being driven by the impact of sustainable development and Green Growth policies. For example, advances in technology that support automation, digitisation or remote working will have a positive impact but may not be a direct consequence of the policy. Whilst zero carbon and resource efficiency ambitions from Welsh Government linked to house building will have a direct impact on the Construction sector and will require allied skills investment.

Further consideration is needed to assess the impact of policy objectives linked to Green Growth and sustainable development, to ensure they are supported by allied skills development and investment where appropriate. This includes whether there is a need to evolve the content of skills development programmes and subject areas to underpin this policy agenda, particularly where a significant impact is anticipated and identified by sectors, this should also be a key consideration within Qualifications Wales reviews.

The Construction group has identified the following actions needed to support the sector:

- *Address energy-related skills and knowledge gaps in Wales's built environment workforce, in particular, those relating to energy performance, as identified through labour market intelligence.*
- *Integrate low carbon and sustainability modules into all vocational training and apprenticeships as supported in the Qualifications Wales Sector Review of Construction.*
- *Ensure that skills requirements on initiatives are sufficient to drive demand for training and guarantee that appropriate measures are specified and properly installed, particularly on older properties. This should be alongside a renewed commitment to the skills needed for building maintenance.*
- *Engage with Welsh Government at the earliest opportunity on the detail of the proposed energy efficiency programmes so that appropriate training and qualifications can be identified and up-scaled.*
- *Create trust and certainty to stimulate the domestic retrofit market, through long term policy commitments and by providing the public and employers with information and expert advice to enable growth in the energy efficiency market over a sustained period of time.*
- *In conjunction with Welsh Government, undertake an initial assessment of the skills requirements to meet the delivery objectives of the strategy, particularly around offsite manufacturing and new technology.*
- *Ensure that the milestones for the commitments to meet energy efficiency and emissions reductions targets reflect anticipated capacity in the workforce, particularly in relation to current skills shortages.*

Further detail is provided in the annex.

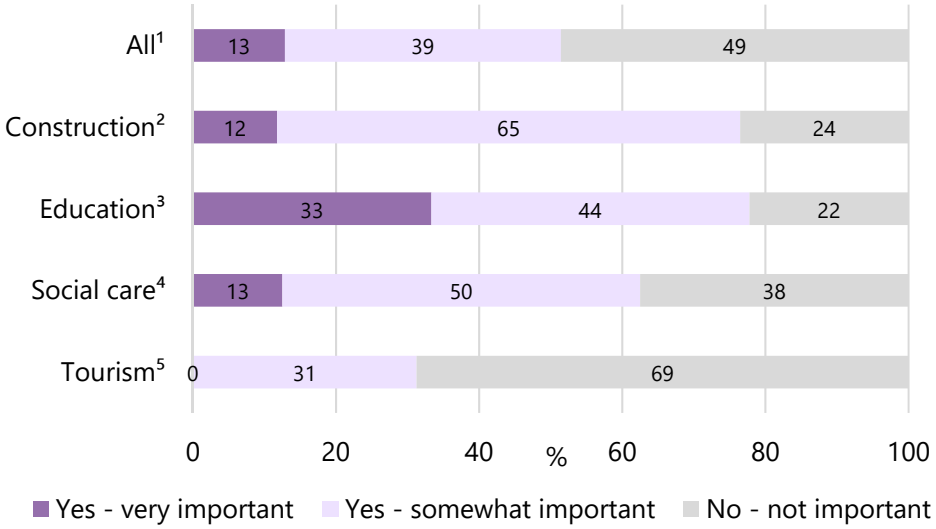
Section 21: Welsh Language

As of the 2011 Census, approximately 11% of people aged 3+ could speak Welsh in our region. This was below the Wales average of 19%. Of the roughly 562,000 speakers of the language in Wales, roughly 27% were based in our region.[27] The results of the Welsh Government's 'Welsh language skills in eight sectors' survey in 2013 found that employers in the region typically felt that Welsh was less important to trade, customer service, and staff retention than the Wales average.[28]

We are aware that the environment has changed in recent years with new legislation and the Welsh government setting out the ambition to see one million Welsh speakers by 2050. As part of our LSkIP Business Skills Survey 2018, we asked businesses "Would you say that the Welsh language is important to your business?" 51% of survey

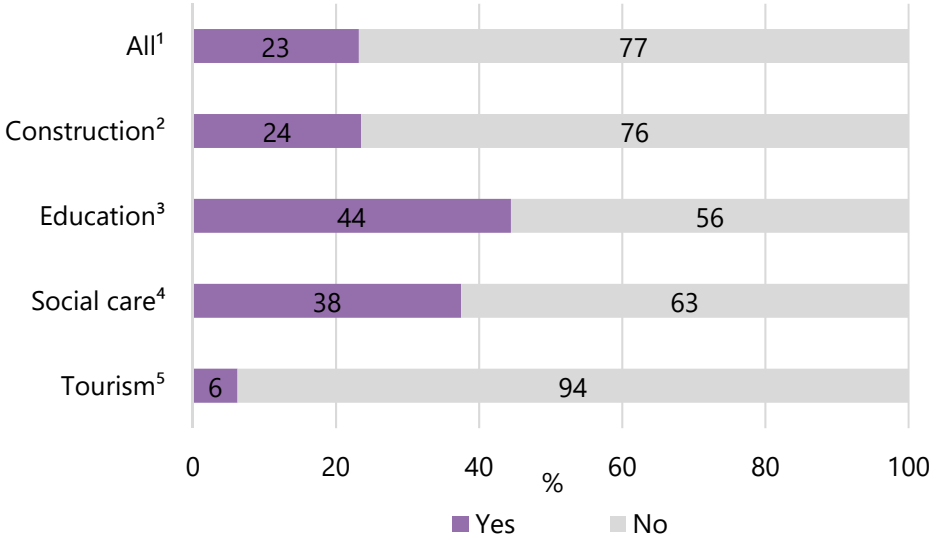
respondents stated that the Welsh language is either 'very important' or 'somewhat important' to their business, although there were significant variations across sectors:

Figure 1 Importance of the Welsh Language for Business



We also asked individual businesses "Is the use of Welsh increasing in your business?"

Figure 2 Welsh Language and Business Use



Comments received from respondents illustrate that businesses in the region think about the Welsh language differently when considering how they may improve its use in the workplace:

Table 14 Increasing the use of the Welsh Language within the workplace

Sector	Response
Advanced Materials and Manufacturing	*"Additional training and support."* (250+ employees)
	"This does not form a part of our strategic business plans." (250+ employees)
Construction	*"We are using Welsh for our site signage, even when it is not a Public Sector project. A number of staff are ex pupils of welsh medium education and take part in our school engagement through the*

Sector	Response
	medium of Welsh. We are actively encouraging first language Welsh speakers to use it in the workplace." (50 – 249 employees)
	"We are currently doing all we can not only to match but to exceed Government priorities as a Welsh RSL and Welsh business operating in Wales and dealing with many, many languages including Welsh within our resident pool." (250+ employees)
Education	*"As an Apprenticeship provider we can only respond to employer needs. If they are Welsh speaking then we must provide training through the medium of Welsh. A percentage of our Practitioners are Welsh speaking."* (50 – 249 employees)
	"The college has a detailed strategy for increasing the use and provision of Welsh." (250+ employees)
Social Care	*"We are enrolling a number of employees on starter and intermediate Welsh courses to increase the use of Welsh. When employing new staff Welsh is a desirable quality. Any Welsh speakers are key workers of primarily Welsh speaking children."* (50 – 249 employees)
Hospitality and Tourism	*"As a hotel, only a small number of our guests are Welsh speakers and although we have a few members of staff who either have Welsh as their first language or are able to speak it, it is not often required."* (10 – 49 employees)
	"We have as much, of not more, need for other languages due to international travellers." (50 – 249 employees)

Some businesses in some sectors are taking a much more pro-active approach to promoting the use of the Welsh language than others. Given the mixed responses to our survey, further work is needed to better understand where Welsh language skills gaps exist.

Finally, there was no demand identified for Welsh language skills in non-priority sectors, however, please note that the 2018 Business Skills Survey did not get a significant return from all sectors, which places limitations on the ability to comprehensively identify Welsh Language skills demands across all sectors.

Section 22: Recommendations

	Regional Priorities	Recommendations	Actions	Outputs
1	Delivering employment and skills support for industry, infrastructure and other investments to enable growth	Work with industry, infrastructure and investment projects to determine skills demands and solutions to support growth. Including action to: • Create tailored and flexible solutions including regional academies or centres of excellence that can respond to the needs identified • Utilise social clauses to maximise the skills engagement and employment potential of any investment • Utilise employment and skills support to build local supply chains/value chains • Develop the capacity and capability within the education system to respond	CCRCD RSP Economic Development work stream created to develop allied programme of employment and skills investment and activity for skills and employability • Metro skills group under development with CCRCD RTA and RSP, TfW and Keolis Amey to determine employment and skills demands and solutions linked to Metro investment • CSC Cluster skills group under development with CCRCD RSP and IQE to explore employment and skills demands identified in the recent skills survey and determine solutions linked to CSC Cluster investment • Welsh Government to facilitate better engagement with industry, infrastructure and investment projects, to improve intelligence and aid regional skills planning and decision making	• City Deal Skills for the Future Programme and Employability Plan. • Action plans to support industry, infrastructure and other investments to enable growth. • Recommendations within the Welsh Government planning and funding template.
2	Supporting industry through priority sectors to address skills gaps and shortages	Develop industry led action plans that identify skills gaps and shortages and recommendations for action, to include: • Technical and specialist skills development • Cross cutting skills development including digital skills, leadership and management, people and personal skills or 'soft skills', train the trainer and adult skills	CCRCD RSP Employer Engagement work stream • Create and support sector led skills groups for Advanced Materials and Manufacturing, Construction, Digital/Tech, Human Foundational Economy, Hospitality/Tourism, Aerospace/Aviation, Compound Semiconductor Cluster, Metro to further refine and develop action plans.	• Industry led action plans, please see below. • Recommendations within the Welsh Government planning and funding template. • City Deal Skills for the Future Programme and Employability Plan to support industry to address skills gaps and shortages.

	Regional Priorities	Recommendations	Actions	Outputs
			• Organise CBI/FSB/Chamber roundtable events CCRCD RSP Supply Side Engagement work stream • Create and support RSP Planning Groups for Further Education and Apprenticeships and Higher Education to review and respond to sector led action plans and template recommendations to address skills gaps and shortages.	
3	Developing higher level skills to future-proof the workforce	Identify demand for higher level skills and recommendations for action to: • Increase the range of higher-level qualifications in technical subjects and to meet the demand for managers, professionals and associate professionals in ICT/digital, professional services and manufacturing at Level 4 and beyond. • Innovate learning to encourage and support learner aspirations to achieve higher level skills, providing accelerated learning and pathways to encourage progression beyond levels 2 and 3. • Improve learner attainment across the region to meet forecasted higher level skills demand.	CCRCD RSP Supply Side Engagement work stream • Create and support RSP Planning Groups for Further Education and Apprenticeships and Higher Education to review and respond to sector led action plans and template recommendations to develop higher level skills.	• Recommendations within the Welsh Government planning and funding template. • City Deal Skills for the Future Programme and Employability Plan to develop higher level skills.
4	Increasing the number and range of apprenticeships	Identify demand for apprenticeships, including degree apprenticeships and recommendations for action to:	CCRCD RSP Supply Side Engagement work stream	• Recommendations within the Welsh Government planning and funding template.

	Regional Priorities	Recommendations	Actions	Outputs
		• Increase the number and range of apprenticeships offered • Maximise the demand from employers in response to the Apprenticeship Levy. • Extend the range of higher level apprenticeships and introduce degree apprenticeships as an alternative, and cost effective, route to higher level qualifications, with greater opportunity to progress into employment. • Support shared apprenticeships in response to demand from industry and particularly SMEs.	• Create and support RSP Planning Groups for Further Education and Apprenticeships and Higher Education to review and respond to sector led action plans and template recommendations to increase the number and range of apprenticeships.	• City Deal Skills for the future Programme and Employability Plan to increase the number and range of apprenticeships.
5	Improving industry engagement with education and marketing of career opportunities and pathways	Develop a regional action plan with partners to: • Develop sustained engagement by industry with schools and colleges to foster education/industry links. • Support continuous professional development of teachers and tutors in industry relevant skills. • Improve information/intelligence and marketing of career options linked to employment opportunities. • Use industry engagement to challenge perceptions and promote parity between vocational pathways, apprenticeships and academic qualifications. • Share details of regional employment opportunities with a focus on the	CCRCD RSP Careers, schools and Opportunity work stream. • Create and support a Careers, schools and opportunities task and finish group to pilot, evaluate and develop recommendations for regional approaches to engagement between industry, local authorities, schools and careers	• Action plan to support activity with local authorities, schools, Careers Wales and industry through to March 2019 • Evaluation report to measure success of activity through to March 2019 and offer recommendations for next steps. • Recommendations within the Welsh Government planning and funding template. • City Deal Skills for the future Programme and Employability Plan to support a regional approach to engagement between industry, local authorities, schools and careers

	Regional Priorities	Recommendations	Actions	Outputs
		demand from high growth, high value and priority sectors		
6	Developing a regional employability plan to support more people into work	Develop a regional employability plan with partners to: • Engage the economically inactive and unemployed, including ex-offenders and encourage them back into work with appropriate training and pre- and post-employment support. • Utilise social clauses in contracts to create employment and placement opportunities for those seeking work.	CCRCD RSP Economic Development work stream • Create and support an employability task and finish group to map existing activity and develop recommendations within a regional employability plan to support people into work.	• Task and finish group mapping exercise and recommendations. • Recommendations within the Welsh Government planning and funding template. • City Deal Skills for the future Programme and Employability Plan to support more people into work

Endnotes

[1] http://sewso.repository.net/IAS/themes/dataabouttheregion/people/tabular?viewId=1546&geoId=1&subsetId=77

[2] http://sewso.repository.net/IAS/themes/lmi/labourmarketintelligence/economicperformance/tabular?viewId=1959&geoId=34&subsetId=125

[3] A detailed breakdown of employment for each Local Authority within the region by Industry is available at http://sewso.repository.net/IAS/themes/lmi/labourmarketintelligence/people%E2%80%93demographics,employment,unemploymentandeconomicinactivity/tabular?viewId=1970&geoId=1&subsetId=77

[4] Annual changes to GVA are small. We have chosen not to carry out a detailed analysis of productivity across the region by industry for this year's report. Data on GVA across the Cardiff Capital Region by NUTS3 region is available at http://sewso.repository.net/IAS/themes/lmi/labourmarketintelligence/economicperformance/tabular?viewId=1959&geoId=34&subsetId=125

[5] A full table showing gross value added for these sectors across the region is available in the appendix https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Regional-Accounts/Gross-Value-Added-GDP/gvainwales-by-industry

[6] http://www.cardiffcapitalregioncitydeal.wales/Cardiff_Capital_Region_City_Deal.pdf

[7] The majority of this data is available at the South East Wales Skills Observatory http://sewso.repository.net/IAS/themes/lmi

[8] Emsi 2018.1 data. All data sourced from Emsi UK Analyst

[9] Emsi set of data and tools using a mixture of government sources to produce estimates and projections relating to industrial sectors and occupations. It is widely used by both regional planners and curriculum planners. We are using Emsi to support our analysis and fill in gaps. At the same time, we are using this as an opportunity to check its accuracy and reliability against our existing data and knowledge.

[10] The Employer Skills Survey describe a skills gap as "where an employee is deemed by their employer to be not fully proficient, i.e. is not able to do their job to the required level." A skills shortage is described as "Vacancies which are proving difficult to fill due to the establishment not being able to find applicants with the appropriate skills, qualifications or experience." https://www.gov.uk/government/publications/ukces-employer-skills-survey-2015-uk-report

[11] The Production sector covers Food drink and tobacco; Mining and quarrying; Rest of manufacturing; Electricity and gas; Water and sewerage; Engineering.

[12] https://www.citb.co.uk/global/research/forecasting_wales_future_construction_skills_final_dec2017.pdf

[13] A recent consultation by the Office of National Statistics saw 78% of respondents state that SOC2010 classifications needed updating with a recurring them being that they "are no longer reflective of many roles in the IT/Tech, digital and creative sectors" https://www.ons.gov.uk/aboutus/whatwedo/statistics/consultationsandsurveys/allconsultationsandsurveys/consultationonrevisingthestandardoccupationalclassification2010soc2010

[14] Industries included in this industry, as per their SIC2010 codes are: 26.1 Manufacture of electronic components and boards, 26.2 Manufacture of computers and peripheral equipment, 26.3 Manufacture of communication equipment, 26.4 Manufacture of consumer electronics, 26.8 Manufacture of magnetic and optical media, 46.5 Wholesale of information and communication equipment, 58.2 Software publishing, 61.1 –61.9 Telecommunications, 62 Computer programming, consultancy and related activities, 63.1 – 63.9 Information service activities, 95.1 Repair of computers and communication equipment, 58.1 Publishing activities, 59.1 – 59.2 Motion picture, video and television programme production, sound recording and music publishing activities, 60.1 Radio broadcasting Department for Culture, Media and Sport, 60.2 Television programming and broadcasting activities https://backup.ons.gov.uk/wp-content/uploads/sites/3/2015/10/What-defines-the-Digital-Sector.pdf

[15] Migration Advisory Committee – EEA workers in the UK Labour Market, pp.15 https://www.gov.uk/government/publications/eea-workers-in-the-uk-labour-market-interim-update

[16] Migration Advisory Committee – EEA workers in the UK Labour Market, pp.54

[17] Migration Advisory Committee – EEA workers in the UK Labour Market, pp.56

[18] Labour and Skills Analysis for Transport For Wales 2017

[19] https://www.gov.uk/government/speeches/hinkley-point-c
[20] https://www.edfenergy.com/energy/nuclear-new-build-projects/hinkley-point-c/jobs-and-training
[21] https://www.citb.co.uk/global/research/forecasting_wales_future_construction_skills_final_dec2017.pdf
[22] This can be seen across many courses. For example, 38.7% of physics graduates were in full time employment in the UK. Of these, 21.3% were Business, HR and Finance professionals, 18.7% were Information technology professionals and 9.7% are Retail, catering, waiting and bar staff. Additional information can be found here: https://www.hecsu.ac.uk/assets/assets/documents/what_do_graduates_do_2017.pdf
[23] http://sewso.infobasecymru.net/IAS/themes/lmi/labourmarketintelligence/enrolmentsathighereducationinstitutions
[24] Key factors highlight include: demographic change; growing diversity; income uncertainty; growing desire for a better work-life balance; changing work environments; converging technologies and cross disciplinary skills; digitalisation of production; ICT development and the age of big data; changing economic perspectives; the growing economic power of Asia; new business ecosytems; growing scarcity of natural resources and degradation of ecosystems; and decreasing scope for political action due to constrained public finances.
[25] https://www.gov.uk/government/publications/jobs-and-skills-in-2030
[26] https://gov.wales/about/cabinet/cabinetstatements/2018/innovation/?lang=en
[27] http://sewso.repository.net/IAS/themes/lmi/labourmarketintelligence/welshlanguageskills/tabular?viewId=1965&geoId=1&subsetId=77
[28] http://sewso.repository.net/IAS/themes/lmi/labourmarketintelligence/welshlanguageskills/tabular?viewId=1966&geoId=116&subsetId=128

DRAFT Specification for strategic advisor services to Cardiff Capital Region City Deal – Skills for the Future programme (subject to approval)

Our ambition

The world sits on the brink of the fourth industrial revolution. New innovative and disruptive technologies, including AI and machine learning, mobile internet and 3D printing are re-inventing industries and spawning new ones that open up possibilities in the workplace and opportunities in the marketplace. The rapid onset of change presents challenges to us in the Cardiff Capital Region, which to date, has been characterised by a lagging economy. With our £1.3bn City Deal however, new freedoms and flexibilities are presented allowing greater levels of economic self-determination and the potential to create a new kind of inclusive, sustainable and smart growth. This ambition recognises that digital and innovation competencies will be the foundation largely upon which, skills of the future are based. However it also recognises that technological know-how will not be enough to compete effectively. Human, interpersonal 'soft skills' and the capacity for lifelong learning, creativity and critical thinking will be important too. Growing both our innovation and foundational economies will be the pillars supporting ambitions for 'good growth'.

The implications of all this for skills and employability are significant. At the beginning of 2018 the Cardiff Capital Region Joint Cabinet approved a five year Strategic Business Plan, which, builds upon the Joint Working Agreement that binds the 10 local authority partners, and includes a commitment to the development of the Skills for the Future programme. At outline level this provides for comprehensive regional schools engagement, active support for businesses and a skills investment fund to deliver 10,000 additional high-value apprenticeships, graduate internships and upskilled employees. Work to date estimates that a fund of up to £30m is required to establish the delivery infrastructure and mechanisms necessary to achieving these outcomes. Work has started in this respect and elements of a prospective model have been developed. However, our wider delivery programme for the City Deal continues to take shape and it is important we build an approach that is demand-led in real-time and so, sequenced and flexible. Agility is needed in our approach to 'Skills for the Future' so that our programme is able to adapt and respond and be capable of continuously identifying the skills, abilities and knowledge that are most likely to be important in the future. We need to make the skills investments that will have the greatest impact and ensure our decisions, policies and interventions better prepare our region; its businesses, public services sector, workforce and communities, for the future.

Our City Deal presents an opportunity to enhance our region's unique sense of place. Buildings, infrastructure, heritage, connectivity and the environment are clearly key to this. However, our City Deal will only be truly effective if it raises horizons and focuses on developing human capital and investing in our most vital asset – people. Driving a new form of economic growth is in part, a cultural process and developing the mind-sets, social skills, creativity and emotional intelligence must be prioritised alongside the quest for better skills, qualifications and educational attainment. Our quest is to build a programme that is bold, capable of helping the wider City Deal move the needle economically and socially and makes an optimal contribution to a Skills for the Future.

The brief

In keeping with the above, the CCR City Deal lead for Skills for the Future welcomes Expressions of Interest from suitably qualified, experienced and knowledgeable advisors and experts capable of:

- Undertaking an independent critical appraisal of the existing strategic outline case for Skills for the Future, testing the assumptions, options assessment and deliverability alongside

alternative possibilities and opportunities, providing the City Deal with an ambitious, relevant and deliverable framework;

- Developing formal and informal approaches to and mechanisms for effective stakeholder engagement, encouraging active participation and a sense of open collaboration;
- Building a rapport and high order relationships across a diverse range of interests and bodies – including private training providers, FE and HE institutions, business and industry, government and trade and professional organisations;
- Demonstrating the ability to achieve shared purpose and common goals. The resilience to work through tensions and mediate through contestability and be solutions focussed;
- Developing and maintaining a close working relationship with the political executive and officer leads for Skills for the Future demonstrating the ability to align political conviction and direction with high-order developmental and delivery capacity;
- Blending a portfolio offer around skills and employability to ensure the City Deal has a deliverable, bold and comprehensive package of measures – that align with, support and reinforce the wider priorities of the City Deal;
- Carrying out a 'so what?' assessment of new proposals and recommendations vis a vis existing ways of working so that stakeholders can clearly understand the difference that needs to be made;
- Evaluating real time impact on both current and future generations. To develop the knowledge and foresight that ensures out programme is cognisant of future trends and developments and remains agile and adaptable in responding to them. To provide informatics and data visualisations that help tell the story and engage others to be part of it;
- Identifying global best practice around skills and employability in order that the region is geared and positioned to develop 'next practice'. To scan the globe for innovative policy developments and provide guidance on how best to scale and replicate;
- Developing a suggested Skills for the Future framework around City Deal's first investment in Compound Semiconductors as a demonstration of potential and a demand-led blueprint;
- Identifying a series of 'quick wins' that can create confidence and assurance around the direction of the Skills agenda;
- Optimising use of resources, identifying leverage opportunities and strategic alignments across economic development and social justice agendas;
- Carrying out a Brexit Impact Assessment of the Skills for the Future programme and in particular, understanding some of the risks/ threats and opportunities around investment continuity;
- Working across all relevant partners and stakeholders to provide a focus on consolidation and integration and making recommendations as to optimal 'one voice' delivery structures and models;
- Engaging core components of the City Deal partnership infrastructure such as the Economic Growth Partnership, Regional Business Council and Regional Skills Board;
- Demonstrating the ability to be independent and to provide impartial and objective views on optimal ways of working; and
- Being clear about the problems we seek to solve and the nature of structural and systemic challenges to which the region must respond, to in order to ensure solutions are the right ones – not the easy ones.

Timescales and conditions

We seek submission of Expressions of Interest that demonstrate how the above brief might be accommodated by close of play on 19 September. Expressions of Interest should set out the following:

- Suggested approaches to developing the programme that embody the above
- A one-page outline of how the current proposal for Skills for the Future (enclosed) might be strengthened and reinforced and/ or built upon
- How the Skills of the Future programme can be developed in conjunction with key stakeholders and consulted upon before the end of December 2018
- Pricing structures, team make-up and expertise and experience in and around, the People, Skills, Employability and Communities agendas
- A demonstration of innovative practices and ideas for how, in particular, strong engagement practices will feature in the approach
- The ability to influence and develop a networked and distributed model of development that allow diverse views to be heard

Should you wish to discuss the brief, conditions and expectations further before submitting an EOI please contact Kellie Beirne or Rob Seale on 07826919286.

Appendix 3

Future Generations Assessment Evaluation

Name of the Officer completing the evaluation: **Kellie Beirne** **Phone no: 07826 9219286** **E-mail: kellie.beirne@cardiff.gov.uk**	**Please give a brief description of the aims of the proposal** The report sets out a position statement on Regional Skills Partnership working and the need for action to bring about the required delegations and jurisdictions to integrate all regional work pertaining to skills. The second aspect of the report aims to set out a proposal for further shaping and concluding the work around the business case re: Skills for the Future.
Proposal: Skills Update: Integrated Skills portfolio and Skills for the Future	**Date Future Generations Evaluation form completed: 14 Sept 2018**

1. **Does your proposal deliver any of the well-being goals below?** Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.

Well Being Goal	**Does the proposal contribute to this goal? Describe the positive and negative impacts.**	**What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?**
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The proposals relates to the effective governance needed to bring about better co-ordination and alignment of current regional skills activity. It also sets out a proposed way forward on the business case to influence how Skills for the Future are developed and supported. It therefore seeks to make a direct contribution to a highly skilled, educated and well qualified workforce.	The report seeks to rebalance the current level of partnership working in order to allow for better alignments and engagement. It also seeks to build strength into an existing proposal in order to test current assumptions and understand where it might be improved.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Skills for the future contributes to the resilience of our skills base in moving with changing needs and demands and the emerging industries of the future.	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The Skills for the Future programme and work of the RSP moves us beyond formal learning and skills development and is also about creating the conditions for soft skills development and understanding opportunities to reinforce physical and mental health.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	A vibrant and appropriately skilled workforce is a cornerstone of community sustainability and cohesion. It supports everyone to thrive and ensures people are equipped to reach their potential.	Revisiting aspects of the Skills for the Future work will ensure key assumptions are tested and key linkages are being made across City Deal themes and programmes in order to maximize opportunities and ensure communities have the tools they need to flourish.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	A well developed and supported workforce will contribute to a positive international profile and presence. In supporting 'good growth' we endeavor to better connect economic outcomes with social progress.	
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	Our Skills work and programme attaches to all areas, industries and opportunities. Wherever possible, our duty to promote language and culture will be in embedded in our work.	
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Learning and skills are tools for social mobility. Our goal is for everyone to have access to the development and support in order to reach their full potential.	The current Skills for the Future proposal focuses on influence within schools and other learning establishment. The brief to further develop this work centres on young people in particular, who might fall outside of this and some of the approaches that may need consideration in order to ensure nobody gets left behind.

2. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
Balancing short term need with long term and planning for the future	Skills for the Future and the work of the RSP focuses on the interventions being put in place now in order to consistently build and prepare for the future.	Further developing the Skills for the Future OBC in the way outlined in the report, should ensure greater awareness of impact and thus, inform actions ongoing, to mitigate it.
Working together with other partners to deliver objectives	Partners to the RSP represent a diverse range of bodies and institutions – straddling public and private sectors. The Skills for the Future work and shaping the future programme delivery has involved many of these.	Further development of the Skills for the Future work should result in better rates of engagement and stronger support from the sectors with whom, resultant proposals will be delivered.
Involving those with an interest and seeking their views	The RSP fosters widespread engagement across trade bodies, private training providers, industry, schools, HEI and FE and government bodies.	Re-working engagement and involvement processes will create a broader forum in which to shape the way and foster a stronger sense of shared purpose.
Putting resources into preventing problems occurring or getting worse	The RSP work is prevention focused and the Skills for the Future programme is about addressing issues of co-ordination and engagement and ensuring we have a plan and an approach that is proactive and pre-emptive.	Not at this time
Considering impact on all wellbeing goals together and on other bodies	Skills is a human issue that places people, their life chances and wellness – at the heart.	Not at this time

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	The proposal will reinforce the importance of appeal and relevance across all age ranges.	None arising.	
Disability	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		Implicit in the Skills work and wider programme is the need for ongoing training, development and coaching around protected characteristics in the workplace – and wider.
Gender reassignment	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programmer as a whole		As above

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Marriage or civil partnership	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above
Pregnancy or maternity	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above
Race	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Religion or Belief	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above
Sex	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole	.	As above
Sexual Orientation	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Welsh Language	The Skills for the Future work and the ongoing activity around the RSP is about ensuring everyone – regardless of age, race, gender, faith, and sexual orientation – has the support and opportunity to thrive. The proposal seeks to strengthen current work, refine and further develop proposals to be inclusive and reflective and to reinforce the depth, reach and potential of the programme as a whole		As above

4. Safeguarding & Corporate Parenting. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Given the focus on people in all age ranges – growing a workforce that is conversant with principles and responsibilities will yield a positive impact	.	
Corporate Parenting	The clear opportunity exists to better link skills opportunities and employment potential to improving the life chances of our young people.		Building upon initiatives such as time limited council tax exemptions for care leavers, further consideration could be given to how we support care leavers to be financially self-sufficient in the longer-term.

5. What evidence and data has informed the development of your proposal?

- Work and reports of the RSP
- Regional Skills Survey
- IQE Regional Skills Assessment
- Skills for the Future – draft Outline Business Case

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The issue around changing delegations to bring the whole skills agenda together is a positive one as it seeks to develop a 'one voice' approach to Regional Skills. Re-visiting aspects of Skills for the Future follows the feedback received and the need to revisit and reinforce assumptions and conditions that might have changed over the period of development.

7. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:	**End of December 2018**