

# Skills & (Re)Training for a Prosperous, Green & Equal Recovery

## Key Messages:

- A prosperous, green and equal recovery from the impacts of COVID-19 is reliant on skills and training that responds to the economic, social and environmental crises.
- Over 60,000 jobs could be created in the green economy by 2022 with infrastructure investment.
- However, the current skills pipeline is not prepared for this demand with our analysis suggesting low apprenticeship and training numbers in key sectors compared to potential job growth.
- There is a mismatch between levels of existing employment and potential; the level of job creation is significant compared to existing numbers.
- Funding to deal with this shortfall is insufficient to cope with demand and scale. There has been a 10% uplift in funding, against a predicted doubling of unemployment rates by the end of 2021 compared to pre-crisis levels.
- Targeted and sustained action is needed to ensure green growth industries provide entry for Black, Asian and minority ethnic people; women; disabled people and those furthest from the labour market.

## A prosperous, green & equal recovery for Wales:

The COVID-19 pandemic has had a significant impact on employment and the economy. Whilst challenging, the situation provides an opportunity to build back differently and seek to improve long-standing challenges in Wales.

A 'green and just recovery' would aim to deliver good quality livelihoods whilst supporting rapid decarbonisation and improving biodiversity in Wales. This relies on having the right skills and training in place.

This means investing in industries and sectors that help us meet our zero-carbon targets, increase equality and improve our well-being.

Investment and a strategic effort towards green skills, training and sectors will be crucial for ensuring Wales reacts positively to the dual crises of the COVID-19 pandemic and climate breakdown, creating a workforce and economy that's more equal and fit for the future.

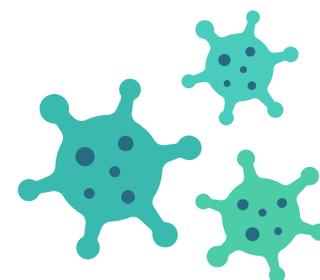


## The known impact of COVID-19 on employment:

The Chief Economist says unemployment in Wales could peak at around 114,000 people in 2021 - double pre-crisis level of 55,000. It is also recognised the 'third wave' of the pandemic has been more severe than expected. As such, the unemployment peak this year could be higher still.

The pandemic has impacted on particular sections of the population more than others including Black, Asian and minority ethnic people (BAME) and women. Nationally, the unemployment rate has reached 8.5% for BAME workers compared to 4.5% for white workers.

The furlough scheme has provided support, but is due to come to an end in October 2021 and a peak in unemployment is predicted to follow soon after. Incompatibility between national programmes like Universal Credit and skills / training opportunities present a significant risk.



Many are calling for recovery from the COVID-19 pandemic that also tackles tackle long-standing issues - a prosperous, green, just and equal recovery.

## Investment in key infrastructure projects in green industries and nature restoration could create at least 45,000 direct jobs and over 60,000 indirect jobs by 2022.\*

### Including:

**5,280 jobs**  
Railway  
Construction



**3,426 jobs**  
Research &  
Development



**2,810 jobs**  
social housing  
construction



**5,870 jobs**  
Renewable  
energy and  
port upgrades



**4,260 jobs**  
retrofit insulation  
of housing



**3,600 jobs**  
reforestation  
and natural  
flood defence



**6,560 jobs**  
off-site housing  
manufacture



**2,725 jobs**  
bicycle and  
pedestrian lanes  
construction



**2,940 jobs**  
Electrical  
Installations





**However, the skills and training pipeline in Wales is currently not functioning in this way and creating a skills gap.**

Even with significant investment in these industries, without rapid action, there are not enough people with the right skills to fill these jobs at the moment. Reasons include:

**The Welsh economy has been moving away from 'green industries', from production towards service industries.**

The biggest declines in sector-based contributions between 2000-18 were in real estate and manufacturing. The largest increases were in human health and social work activities, financial and insurance activities.

Employability and skills programmes have experienced reduced funding. In line with industrial trends, they have been targeted towards sectors of today rather than sectors of tomorrow.

**Training has been in focused in different subjects and sectors.**

Apprenticeships are modeled on industrial trends in Wales that will need refocusing for a green recovery. Much higher numbers are required in green industries for a 'green and just recovery'.

**Adult education is in decline.**

In 2019, Wales recorded its lowest ever rates of adult participation in learning. Over the last decade, the number of people studying for a second degree **has fallen from 36,000 to 13,500.**

The number of people enrolled in Further Education **has fallen by 43% in Wales since 2012.**

**Funding is insufficient to cope with demand and scale.**

There is insufficient investment in programmes which will upskill people at the scale that is needed and with a focus on the industries of the future.

**£40m**

Already invested by Welsh Government 2020 in the 'COVID Commitment to Employability and Skills'.

This was one-off supplementary funding.

Current funding levels neither recognise the scale of the challenge for upskilling and retraining due to the impact of the pandemic nor the opportunity to develop skills in sectors well placed for a green recovery.

**Double the unemployment rate?**

At the time of writing, a £23m uplift to the work-based learning and Communities for Work budget was announced for the 2021-22 period.

This represents around a 10% uplift against a forecast of double the rate of unemployment by the end of 2021, compared to pre-crisis levels.

**Currently, investing in these industries would not provide an 'equal recovery' either.**

For now, neither the sectors nor training pipelines are diverse; with white men proportionately over-represented in many industries.

## **The challenge for a prosperous, green and equal recovery:**



**In railway construction and engineering, 20-30% employees are female; between 11-15% non-white ethnicity. 150 annual apprentice starts in rail engineering; 0% were female.**

The skills gap is a challenge, due to scale of new jobs required relevant to documented shortages. There are 1,000 current jobs in rail construction in Wales. It takes at least 3 years to train a railway engineer via apprenticeship schemes. Relevant qualifications require 200-300 hours training.

**In social housing construction and housing retrofit (including insulation, windows / doors, boiler / heating), 27% of the workforce is female, around 5% non-white ethnicity. 3% of apprenticeship starts in general construction were female.**

Current apprenticeships starts in retrofit sectors are between 20-40 per year. In social housing construction an increase in workforce size of 22% is estimated to be required – in addition to predicted growth in off-site manufacturing.

Significant skills shortfalls appear to be present in insulation, heating and retrofit. With sufficient demand and coordination created through investment, movement into the retrofit sector could be facilitated relatively quickly through on-the-job training, as qualifications are not necessarily prerequisite. A long-term pipeline of projects must be guaranteed.



**In agriculture, forestry, nature restoration and related trades, around 25% of the workforce is female and 0.76% of non-white ethnicity.**

Apprentice levels are currently very low at 50-120 per year. The number of people enrolled in relevant education courses has also almost halved in the last 6 years (4,500 compared to 8,065 previously). Likely a very significant increase in training for jobs in environmental management required.



**In electric installation, including broadband, electric vehicles and solar panels, 29% of the workforce is female and 6% of non-white ethnicity. There are between 360-490 annual apprenticeship starts in electrotechnical, 2% are female.**

Rapid and significant scaling up required and work will be needed to ensure specialist skills are acquired in the new and existing workforce but time to train can be relatively short. Investment in the associated infrastructure is also required.



**In the context, as Future Generations Commissioner for Wales, I have recommended immediate actions for Government to make our current programmes fit for purpose.**

**For a prosperous, green & equal recovery, in the here and now, Welsh Government should be:**

a) Ensuring capacity meets demand on employability programmes such as ReAct and Communities for Work Plus and actively fostering greater demand to build the Welsh skills base in target green recovery industries.

b) Increasing capacity in programmes such as traineeships, apprenticeships, and the Union Learning Fund to deliver in target green recovery industries.

c) Reviewing all programmes to ensure they are designed for the present context, i.e. to support workers into sectors such as care and the zero carbon transition which have significant expected jobs growth.

d) Ensuring that investment seeks to increase underrepresented groups of the population in key sectors for the future.

e) Increasing investment in traineeships and apprenticeships for young people, in particular (as evidence implies that the group of workers most affected by the pandemic has been those aged 18-25).



**Sophie Howe**

**Future Generations Commissioner  
for Wales**

f) Ensuring that there are sufficient reskilling opportunities for people in-work, and particularly who are furloughed / have been furloughed.

g) Ensuring Welsh programmes such as ReAct are adequately funded to not only support education and training costs but also to provide sufficient financial support to ensure unemployed workers can maintain a good standard of living.

**For a truly prosperous, green and equal recovery, as Future Generations  
Commissioner for Wales, I recommend  
Senedd Cymru and Welsh Government should:**

**Priorities for a prosperous, green  
and equal recovery:**

**Improve alignment and action towards the  
climate and nature emergencies with their  
investment in skills, training and sectors that  
will provide a green and just recovery.**

**Invest in the industries and technologies of  
the future, and support businesses that will  
help Wales to lead the low carbon revolution  
and lock wealth and jobs into local areas with  
investment in the foundational economy.**

**Set out a plan for responding to current crises  
and future trends in ways that reduce  
inequalities rather than perpetuating them.**

**Establish and fund a shared national mission  
for education and training bringing in the  
skills of business, third sector, community  
activists, older people and the youth services  
sector.**

**Establish a national vision for lifelong  
learning.**

**Pilot a Basic Income.**

**Create a National Nature Service.**



**Develop an economic stimulus package  
that leads to job creation and supports  
the decarbonisation of homes.**

**Establish a national vision for Wales to  
become the most eco-literate and  
globally responsible nation in the world.**

**Implement the Race Equality Strategy to  
tackle the inequalities experienced by  
Black, Asian and minority ethnic  
communities in Wales.**

**With special thanks to the New Economics Foundation and Wales TUC**

**See [www.futuregenerations.wales](http://www.futuregenerations.wales) for more information.**

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