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Llywodraeth Cymru  
Welsh Government

Jayne Bryant MS Chair  
Paul Davies MS, Chair  
Economy, Rural Affairs and Trade Committee

20 November 2023

Dear Jayne,

As requested by the Children, Young People and Education Committee, please see further information below on Post 16 Education and Skills, following the joint scrutiny session on 5<sup>th</sup> July.

**Drop off rates for apprenticeships** - *During the session, we asked about the decrease in people completing their apprenticeships, for which the competition rates dropped from 80.9% in 2018-2019 to 66.3% in 2021-22. During the session, the Minister for Economy said that the initial evidence indicates that cost of living pressures are one of the main factors for this decrease. He also indicated that this was an issue of concern, and that “we still want to understand how far, and is it more than the cost-of living crisis or not.”*

Our response: The labour market has become more fluid for people in lower paid occupations such as those in social care, where individuals are finding it easier to find higher paid employment in sectors such as retail and hospitality. This might well be why we are seeing apprentices leave to go into employment elsewhere - leaving their employer for higher wages and better terms and conditions.

Careers Wales recently gave evidence to the Economy, Trade, and Rural Affairs Committee on cost of living pressures and the Young Person's Guarantee. It was their view that many young people are giving up apprenticeships to take paid employment elsewhere. Some young people are choosing to take on better paid roles with no training, perhaps without understanding the impact that has on them in the longer term.

*We are concerned that the target of creating 125,000 all-age apprenticeships may be affected by factors that are causing this increase in the drop off rate. We note that the timeline for this target has been extended by a year, but are concerned that the wider pressures for people to get into full time paid employment may affect the attractiveness of apprenticeships. The pressure to pay bills right now could over-ride the longer-term financial benefits of a completing an apprenticeship.*

Our response: Overall, there are three unavoidable factors impacting on the target, including the lack of replacement EU funds, pay and inflationary pressures and increasing costs of frameworks for priority interventions supporting wider Welsh Government priorities. For context, ESF allocations supported around 5,000 apprentices per year.

These factors combined with the extremely challenging 2024-25 budget year situation are going to make our ambitions to achieve 125,000 new apprenticeships extremely difficult, however, we remain committed to delivering a high quality apprenticeship product which is valued by learners and employers. To support this, significant time has been spent enabling providers to plan their delivery. Officials have worked early with the provider network to plan 2023/24 delivery and expand eligibility to reach a wider learner base – while maintaining Minister's focus on quality provision

We will continue to raise awareness of the programme by promoting the benefits to both employers and learners via a range of marketing and communications activity throughout the year. The Apprenticeship Week and the Apprenticeship Awards Cymru provide us with further opportunities to raise the profile of the apprenticeship and promote the key benefits of becoming (and recruiting) an apprentice, showing parity of esteem.

*Can you outline what work you are doing to better understand the reasons behind the drop off rates, and if you can commit to share this work with us? We'd also like more information on how the Welsh Government is working to support and encourage take up of apprenticeships as an attractive option particularly during the current cost of living crisis.*

*Our response:* We are developing new statistical methods to add to our understanding of the reasons behind the drop-in success rates. This method would allow us to analyse apprenticeship incomes and more directly examine the link between income and success rates for apprentices. The method is highly experimental, but if it produces results in the near future, we will share the evidence with the committee.

In an addition to this we have been examining using an apprentice's history of free school meal eligibility as an indicator of deprivation, and the link between this and success rates. That work will be published in an article [Using free school meal history as an indicator of deprivation for apprenticeship and adult learning outcomes: August 2021 to July 2022](#) on the 7th of November.

The apprenticeship programme is augmented by a number of initiatives which support and encourage the take up of apprenticeships, for example, in 2023-24 we have invested £1m for Health and Wellbeing support. Improving the Health and Wellbeing of both staff and learners supports quality delivery and is expected to help increase apprenticeship completion rates. This funding enables learners, staff and organisations to access the required support to deliver successful outcomes.

We are committed to removing barriers to getting an apprenticeship and whilst we have made significant progress to improving access to apprenticeships for disabled learners we need to do more. In Wales there still remains too many employers with

negative attitudes to employing disabled people and reports of a lack of support for companies considering the employment of persons with disabilities. Via the Employer Incentive Scheme for disabled apprentices, £0.4m has been provided in 2023-24 to incentivise employers to take on apprentices with disabilities.

There is anecdotal evidence that the requirement for apprentices to undertake Essential Skills Qualifications (ESQs) are hindering achievement. Apprentices are predominately required to take essential skills in literacy and numeracy where they don't already have alternative qualifications, such as GCSEs. We have therefore commissioned Estyn to carry out a thematic review of ESQs undertaken by apprentices to understand, amongst other aspects, the benefits of ESQs and their impact on apprentices.

The national apprentice minimum wage rate is sometimes a disincentive. Careers Wales has examples where people are giving up apprenticeships because they can get a job paying twice the apprenticeship minimum wage. A year one apprentice or those under 19 get National Minimum Wage of £5.28; they can earn double that. So, apprenticeships can be a hard sell to keep people engaged. Sometimes people can earn more in a part-time job than a full-time job.

Low salaries impact on transport costs. We know that jobs with low wages are less attractive when a sizable chunk of the cost are absorbed by travel expenses. Apprentices on the National Minimum Wage rate are particularly vulnerable.

I recently responded to the Low Pay Commission on the future of the Apprentice Rate of the National Minimum Wage (NMW). The Welsh Government believes that the Apprentice Rate should be increased and aligned to the current National Minimum Wage 21-22 rate to help incentivise 16–19-year-olds to start an apprenticeship and influence young people when choosing education and employment options. This is particularly important given the pressures arising from the cost-of-living crisis and inflationary pressures.

A higher rate for apprentices would enhance the profile of 'earn while you learn' training opportunities and help apprentices in meeting living costs. In particular, a higher rate would build parity with young learners in full-time education and address child benefit disparity, where families lose child benefit for children who take up apprenticeships. Any perceived productivity differences between younger and older workers need to be balanced against the longer-term value of the apprenticeship to both the employer and the apprentice.

Further, we are continually working with providers to understand what additional support can be provided to ensure people complete their training. This may include adapting delivery mechanisms to that people achieve sooner or certain elements of the programme are delivered upfront or later to reduce pressure on individuals.

**Careers advice** - *As raised during the session, concerns around the quality and breadth of careers advice being given to young people with disabilities has been raised as part of our inquiry: Do disabled children and young people have equal access to education and childcare? We will continue to explore this as part of that work, but at this stage, we would welcome further information on how the Welsh Government can ensure that children and young people with disabilities can get the*

*best quality careers advice to ensure they can pursue the right education and career opportunities that meet their aspirations.*

Our response – We want to ensure that children and young people with disabilities can get the best quality careers advice to ensure they can pursue the right education and career opportunities that meet their aspirations.

Careers Wales has a dedicated careers adviser linked to every special school – they also offer a bespoke employer engagement support to all special schools and PRUs. The offer will include an average of two employer events per setting which will enable them to better meet the needs of learners. All Additional Learning Needs (ALN) young people are offered:

- Impartial guidance and coaching support.
- Relevant careers information group sessions.
- transition reviews for young people with Individual Development Plans (IDPs), with priority given to young people entering the labour market.

Careers Wales also:

- Attend parent events.
- Supports Local Authorities in implementing Transition support.

Digital support specifically targeting ALN young people Careers Wales have:

- Future Jobs Wales (<https://careerswales.gov.wales/future-jobs-wales>) is a targeted section on the Careers Wales website, this includes a section titled 'About Jobs'
- Developed Careers Match Quiz

Six special schools across Wales are taking part in the recently launched Careers Wales Quality Award – an award for schools to support the implementation of careers and work-related experiences (CWRE):

Canolfan Addysg y Bont	Anglesey
Hafod Lan	Gwynedd
Ysgol Bryn Castell	Bridgend
Maes y Coed	NPT
Chepstow	Monmouthshire
Ysgol y Deri	Vale

In 2022 Careers Wales introduced a British Sign Language (BSL) channel in their digital platform and across all of their careers centres.

From September 2022- August 2023 Careers Wales carried out 4,110 interviews with 2,642 young people identified with Additional Learning Needs - Statemented or Statemented Equivalent.

Young people identified with Additional Learning Needs who are planning to progress to College or Training after Year 11 will have a Learning and Skills Plan (LSP) completed by their Careers Adviser to help them identify their needs and aspirations, and ensure that their next lead provider can effectively support them. As part of that process Careers Wales will meet with the young person sometime after to review the LSP, and ensure that it's still an accurate reflection of what they want, and that their identified needs have been met. 2022-23 CW completed 336 LSPs.

Working Wales deliver careers guidance to young people and adults that identify themselves with a disability. Between April and Sept 2023 Working Wales delivered:

- 203 episodes of careers and employability support to disabled young people
- 1,386 episodes of support to disabled adults
- 81 episodes of support to disabled young people and adults supported in prisons
- 17 episodes of support to disabled young people and adults referred by probation

Careers Wales and Working Wales also support traveller young people and adults with careers information and guidance, an example can be seen here:

<https://vimeo.com/792846107/6f28fd688a>

**Big Ideas Wales** - *We would also welcome some more information on how Big Ideas Wales is promoted, the levels of take-up and the outcomes or any current evaluation on the programme.*

Big Ideas Wales improves awareness of entrepreneurship and self-employment through several routes to reach young people under 25 years, whilst in education, or beyond. Big Ideas Wales is a service delivered as part of Business Wales to raise aspirations, support young people's understanding of business, and enable young people access advice and support to start-up.

Welsh entrepreneurs act as Big Ideas Wales role models and run workshops and events in schools, colleges, universities and with community groups outside education to help young people learn about enterprise and raise awareness of support available to start a business; in 2022/23 they reached 75,210 individuals.

Big Ideas Wales is also promoted via a campaign, which has a dedicated website, digital advertising, social media channels (Facebook, Twitter and Instagram) which provides regular engagement with young people. In 2022/23 the website had 400,000 visitors and is currently followed by 33,874 young people.

In 2022/23, 945 young people accessed business advice and support through Big Ideas Wales and this helped create 329 new businesses.

In July 2022, the Welsh Government launched the Young Person's Start Up Grant targeting unemployed young people. The grant is promoted alongside a package of start up support to assess viability of business ideas. To date 1,145 young people have expressed an interest in the support and 347 grants awarded.

Furthermore, a network of Enterprise Champions operate in all further and higher education institutions in Wales to raise awareness of entrepreneurship, provide practical experience of businesses, and nurture and support young entrepreneurs to start a business. The Champions' network play a key part in working with Big Ideas Wales, wider youth entrepreneurship partners and business. Part of the Young Persons Guarantee, Employment and Enterprise Bureaus in further education colleges support student transition to self-employment; supporting 702 students in 2022/23 to take positive steps towards self-employment and supporting 85 to become self-employed or start a business. The Enterprise Champions at higher education have supported over 1,300 students and graduates to validate and develop their business ideas. The latest published HEBCIS data reported 362 graduate starts in 2021/22 from universities in Wales representing 7.6% of all graduate starts.

An evaluation of the Youth Entrepreneurship Programme 2016-2022 was undertaken by Arad Research. Its conclusions were positive and the recommendations were used to shape the procurement of the Business Wales entrepreneurship & start-up service. [Review of Welsh Government Youth Entrepreneurship Programme 2016 to 2022: final report | GOV.WALES](#)

The evaluation findings noted:

- That the programme has become more agile and responsive since its launch in 2016, having an impact at a local and regional level as well as linking to key national policies and economic and social drivers. Programme flexibility and support for joined up partnership approaches indicate the programme has the potential to support current and future Welsh Government policy, in particular the Young Persons Guarantee.
- The report shows that the programme exceeded its engagement targets in relation to reaching education settings to promote enterprise activities and Big Ideas Wales services. The use of digital technology, especially social media has supported the programme's effective marketing and promotion.
- Big Ideas Wales Role Models were positively received by all audiences and partners and therefore were recommended to be an integral element of future programmes and their potential to engage wider audiences across programme delivery in future has been actioned in future Business Wales services whilst noting the need to address shortages in some sectors ICT/construction and the opportunity to develop Role Models in social enterprise.
- The 1-to-1 advisory support provided by Big Ideas Wales, as well as the annual Bootcamp to Business sessions have been well received and had a positive impact on participants starting a business. The need to provide

enhanced advisory support and wraparound support and events through Big Ideas Wales was recommended in order to meet policy commitments in the Young Persons Guarantee which also takes into account the length of time young people need to progress to start-up.

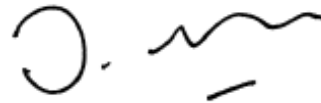
- The report also concluded that future youth entrepreneurship services should consider a hybrid approach to delivery, making use of digital delivery where it can enhance delivery, drive efficiencies and value for money, and increase reach of specialist support and participation across Wales.

I hope this information is helpful to the Committee. I look forward to meeting with you again soon.

Yours sincerely,



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