

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:

Committee room 5 – Tŷ Hywel
and video conference via Zoom

Meeting date: 5 February 2025

Meeting time: 09.30

For further information contact:

Robert Donovan

Committee Clerk

0300 200 6565

SeneddEconomy@senedd.wales

Hybrid

Private pre-meeting

09.15 – 09.30

Public session

09.30 – 11.00

1 Introductions, apologies, and declarations of interest

09.30

2 Papers to note

09.30

2.1 Meeting of the Inter-Ministerial Group for Business and Industry

(Page 1)

Attached Documents:

Letter from the Cabinet Secretary for Economy, Energy and Planning – 17
January 2025



2.2 Future of Welsh Steel

(Pages 2 – 6)

Attached Documents:

Letter from the Cabinet Secretary for Economy, Energy and Planning – 20
January 2025

2.3 Meeting of the Inter–Ministerial Group for Trade

(Page 7)

Attached Documents:

Letter from the Cabinet Secretary for Economy, Energy and Planning – 21
January 2025

2.4 Review of the Public Bill and Member Bill processes

(Pages 8 – 11)

Attached Documents:

Letter from the Llywydd, and Chair of the Business Committee to Committee
Chairs – 21 January 2025

2.5 Holyhead Port Storm Damage and Closure

(Pages 12 – 13)

Attached Documents:

Letter from the Cabinet Secretary for Transport and North Wales, and the
Cabinet Secretary for Economy, Energy and Planning – 23 January 2025

2.6 The Disability Employment Gap and the education system

(Pages 14 – 29)

Attached Documents:

Letter from the Cabinet Secretary for Education and the Minister for Further and Higher Education to the Chair of the Equality, Justice and Constitution Committee – 23 January 2025

2.7 Development Bank of Wales Annual Scrutiny session – 20 November 2024: Follow-up

(Pages 30 – 35)

Attached Documents:

Letter from the Chief Executive, Development Bank of Wales – 24 January 2025

3 Sustainable Farming Scheme: Ministerial Scrutiny Session

09.30 – 11.00

(Pages 36 – 64)

Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Welsh Government

Gian Marco Currado, Director – Rural Affairs, Welsh Government

Mark Alexander, Deputy Director – Land Management Reform Unit, Welsh Government

Naomi Matthiessen, Deputy Director – Landscapes, Nature and Forestry, Welsh Government

Attached Documents:

Research brief

Evidence paper – Welsh Government

4 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting

11.00

Private session

11.00 – 12.30

5 Consideration of evidence following the meeting

11.00 – 11.10

6 Legislative consent: Employment Rights Bill

11.10 – 11.15

(Pages 65 – 74)

Attached Documents:

Legal advice note

7 Legislative consent: Data (Use and Access) Bill

11.15 – 11.25

(Pages 75 – 105)

Attached Documents:

Research brief

Legal advice note

8 Hybu Cig Cymru Inquiry: Consideration of Scope and Approach Paper

11.25 – 11.30

(Pages 106 – 110)

Attached Documents:

Scoping paper

9 The Foundational Economy: Consideration of Key Issues

11.30 – 12.00

(Pages 111 – 131)

Attached Documents:

Key issues paper

10 Green Economy: Consideration of draft report

12.00 – 12.30

(Pages 132 – 186)

Attached Documents:

Green Economy draft report

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Agenda Item 2.1


Llywodraeth Cymru
Welsh Government

Our ref: DC-RE-10655-24

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

17 January 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to notify you of the Inter-Ministerial Group for Business and Industry (IMG) and the meeting which will take place on 21 January 2025.

The IMG will be chaired by UK Government's Minister of State for Industry, Sarah Jones MP. I will represent the Welsh Government at the meeting. This will be the first meeting of the IMG since January 2023 and since the general election held in July and will be a hybrid meeting. I anticipate the discussion will focus on the Industrial Strategy and will provide an opportunity for HMT and devolved nations to provide an economic update.

I have copied this letter to the Chairs of the Finance Committee and the Economy, Trade and Rural Affairs Committee.

I will provide an update after the meeting.

Yours sincerely

Rebecca

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Andrew RT Davies MS
Chair
Economy, Trade and Rural Affairs Committee

20 January 2025

Dear Andrew,

I write in response to your predecessor's letter seeking further information on points raised during the ETRA Committee session on The Future of Welsh Steel held on 20 November.

Your letter sets out five points for clarification which I address in this letter.

The Future of Welsh Steel

- *Could you set out what preparations are in place to respond to a potential increase in demand for the Welsh Government's support initiatives available for workers, business and the supply chain over the coming months?*

Employability and Skills Support

As a result of ongoing discussions with Tata and the likelihood of redundancies during 2024-25, an additional £4.75m was agreed by Cabinet between Draft and Final budgets 2024-25 to support the steel industry through our ReAct+ and other key employability programmes including Jobs Growth Wales+ and Communities for Work +.

With the draft budget 2025-26 based on the final budget for 2024-25, this £4.75m has been retained within the Employability including YPG BEL (4464) baseline and therefore will be available to support demand through the ReAct+ programme in 2025-26.

The ReAct+ programme is designed to be nimble and flexible in times of large redundancies and it is operationally ready to respond to potential increases in redundancies.

As of 01 January 2025, participant eligibility for Communities for Work + has been expanded to allow more flexibility to support people affected by redundancy. It now offers support to:

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- Individuals who have been made redundant within the last 6 months.
- Individuals in receipt of a notice of redundancy with a confirmed leaving date of employment.

These changes allow Communities for Work + to work effectively alongside ReAct+ and other interventions including the Employability Support Fund and ensures that its individualised employability mentor support is available to all those affected from neighbouring local authority areas.

Through the Wales Union Learning Fund (WULF) Community Union received an additional £25k funding at the end of 2024 to help meet the demand in training from those workers who were not eligible for the UK Government Transition fund at the time that the training was needed. Looking forward, the overall WULF budget has been uplifted for 2025-26 following the funding cut introduced for this current year, 2024-25.

Supply Chain Support

Launched on 30 September 2024, the Supply Chain Transition Fund (Fund) is focused exclusively on supporting businesses that are reliant on Tata Steel UK and impacted by the blast furnace closures. Funded by the UK Government, the Fund will be delivered by Neath Port Talbot County Borough Council (CBC), delivering the grant funding support in partnership with the Welsh Government's Business Wales service, who will manage business support and advice for impacted businesses.

Businesses that are currently 30% reliant on Tata Steel UK are able to access dedicated support to mitigate the impact on the business and onward supply chains.

Business Wales will provide the initial triaging of supply chain businesses, captured via a digital eligibility checker. An in-depth business diagnostic will be undertaken to understand and assess the impact of the loss to the business. The Fund will also provide bespoke specialised support to assist in managing the change, that is over and above the existing Business Wales service offer, to benefit Tata Steel UK's supply chain businesses.

The Fund will be flexible in response to demand and prioritise firms associated with the Tata Steel UK supply chain that are perceived to be high-risk and facing challenges.

Eligible businesses across a range of sectors can apply, however those operating in manufacturing, engineering, fabrication, ICT, construction and renewable energy will be prioritised.

The grant funding will also consider longer term opportunities for major investments in the area including the introduction of the electric arc furnace at Tata Steel UK; developments by Associated British Ports including floating offshore wind at the Celtic Freeport; and hydrogen technology at Baglan Bay. It will help businesses optimise opportunities and mitigate the impacts of the transition and assist supply chain development, positively contributing to the realisation of UK, Welsh and local government's longer-term vision for Neath Port Talbot.

On 19 December 2024, funding for the Business Growth, Resilience and Start-Up Fund was announced by the UK Government. The objective of the 'Business Growth Fund' will be to introduce specialised grant packages to those businesses seeking to

increase their role in the local economy, the 'Resilience Fund' will focus on supporting local businesses who have been impacted by the Tata transition but were not eligible to apply for support via the Supply Chain Fund. Finally, the 'Business Start-Up Fund' will enable Tata steelworkers, their immediate families and others in the supply chain to receive business advice and financial support.

Welsh Government will enhance the current Business Wales service to manage enquiries from individuals facing redundancy interested in starting their own business and from businesses in the impacted area that need to improve their resilience or present opportunities for growth and employment. Business Wales will provide a single point of entry, for advice to support business start-up and help existing business build resilience, access new markets, stimulate improvements in productivity and business growth.

Business Wales will triage clients for business support, undertake relevant business planning support and work with Neath Port Talbot CBC to determine the potential to meet grant eligibility, support preparations for applications, and make appropriate referral for grants.

Mental Health and Wellbeing Support

Welsh Government officials and colleagues in Swansea Bay University Health Board continue to be engaged in the transition arrangements to ensure those affected know what support is available and how to access it. This information is included on the online Hub developed to make it easier to find and access support. The Sorted:Supported website has also been established to make finding mental health support easier: [Home Page - Sorted Supported](#). The health board continues to monitor any changes in demand/need for mental health services and we are also monitoring 111 press 2. Public Health Wales is undertaking a health impact assessment to help services to predict future needs and to inform longer-term planning.

- *Could you set out what data is currently being collected, and what further data is planned to be collected, in relation to access to the support being delivered by the Welsh Government?*

Employability and Skills Support

The ReAct+ programme collects data from grant applicants through the Working Wales Careers Action Plan (all applicants receive impartial advice and guidance from Working Wales), the ReAct+ online portal, and participant surveys. Data collected includes for example previous employer, work history and experience; qualifications and current skills; skills needs of each applicant; training courses to be undertaken and participant background data (including disability status and ethnicity). An independent evaluation of the ReAct+ programme is planned for later this year and the organisation undertaking the evaluation will be asked to consider Tata and Tata-related redundancies specifically.

Communities for Work + also collects a wide range of data relating to participant background including, for example, participant circumstances upon engagement and outcomes achieved (including sector relating to 'into employment' outcomes). In line with changes to eligibility this will include collecting data regarding the receipt of redundancy notice where appropriate.

For the WULF, a number of achievements against agreed targets are collected on an annual basis, mainly relating to support for learners. Within Tata, 618 learners have completed accredited qualifications and non-accredited learning this financial year (2024-25) to date.

Supply Chain Support

As part of the funding agreement, the UK Government have set out a Monitoring and Evaluation framework that will outline the data to be collected and reported in relation to all Funds. Business Wales and Neath Port Talbot Council will collect data relevant to their intervention which will be used to produce quarterly programme performance reports for UK Government. Welsh Government will collect and process data in line with the Business Wales's [Privacy notice](#).

Future investment in Port Talbot and the surrounding areas

- *How are you working alongside the UK Government and business to secure opportunities for Welsh steel to be used in the floating offshore wind turbines that will be needed in the Celtic Sea over the coming years?*

There has been positive and early engagement between the Prime Minister, the Secretary of State for Wales, and the Secretary of State for Business and Trade on the development of the UK Government's Industrial Strategy. This includes the potential role that green steel and Floating Offshore Wind (FLOW) in the Celtic Sea can play in delivering long-term, sustainable, inclusive, and resilient growth. This engagement is ongoing prior to the strategy being published in the Spring.

The first of four Short Term Reviews I have commissioned to accelerate the delivery of our Economic Mission, focuses on FLOW and has brought together external expertise with practical business experience to drive forward progress in this area. The review is due to be complete in the Spring, but intelligence has already fed directly into our engagement with UK Government. It is clear that securing investment in both steel and ports is fundamental to maximising the opportunities for the FLOW supply chain, not only in relation to wind turbines in the Celtic Sea but across the UK and the potential to open up opportunities for exports. It is also worth mentioning the strong interconnection with the steel industry and other high growth sectors identified within the Industrial Strategy such as advanced manufacturing including aerospace and Automotive.

It should, however, be noted that steel is only part of the story with respect to securing opportunities within the FLOW supply chain. There are significant other barriers which will need to be overcome in partnership with the UK Government if these ambitions are realistic and achievable. Progress on how to resolve complex issues around regulation, energy prices, grid connections, and other key infrastructure will be challenging.

On 07 January I announced the creation of the Offshore Wind Task and Finish Group made up of key sector leads and relevant stakeholders. The Group will provide a detailed assessment of the deliverability of offshore wind for Wales, identify priority areas to secure economic and social change across our coastal communities and wider economy and will develop a clear plan with concrete actions and timescales to maximise the opportunities for Wales from offshore wind.

- *We note that the tax sites for the Celtic Freeport have recently been designated, and that the UK and Welsh governments have approved the Outline Business Case. Could you set out the likely timescales for completing the remaining stages before the freeport becomes fully operational, and confirm what discussions you have had about investment in the freeport sites?*

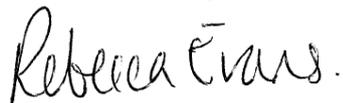
With its tax sites designated, the Celtic Freeport is now formally operational as businesses on the sites can qualify for tax relief. We are currently supporting the Freeport to complete its Full Business Case and are preparing the Memorandum of Understanding (MoU) which, when signed off, will allow us to start releasing seed capital funding to the Celtic Freeport for infrastructure and skills projects. We are aiming for MoU sign-off in Spring 2025.

My officials, along with counterparts in the UK Government, have worked closely with the Celtic Freeport on the development of its Trade and Investment Strategy. This work is now moving towards implementation with officials supporting the Freeport to market business opportunities and attract investors with the goal of bringing good quality jobs to Port Talbot, Milford Haven and surrounding areas.

- *The Celtic Freeport and floating offshore wind are anticipated to deliver benefits over the longer-term. Could you set out you are working together with the UK Government to bring investment and sustainable, well-paid jobs to Port Talbot and the surrounding areas over the interim period?*

As stated above, the first of four Short Term Reviews I have commissioned to accelerate the delivery of our Economic Mission, focuses on FLOW. The review to date has highlighted the need to secure a pipeline of projects in the interim period for existing businesses located within Port Talbot and the surrounding area which we hope will go on to secure opportunities within the FLOW supply chain in future years.

Yours sincerely,



Rebecca Evans AS/MS

Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Agenda Item 2.3


Llywodraeth Cymru
Welsh Government

Andrew RT Davies MS
Chair of Economy, Trade, and Rural
Affairs Committee

SeneddEconomy@senedd.wales

21 January 2025

Dear Andrew

I am writing to inform you, in line with the inter-institutional relations agreement, that a meeting of the Inter-Ministerial Group for Trade is scheduled for 22 January 2025.

The meeting will be the first meeting since the UK general election and will discuss engagement between UK administrations, the UK governments trade strategy, as well as provide updates on several active trade negotiations.

I will update you further following the meeting.

Yours sincerely,



Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
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Y Pwyllgor Busnes Agenda Item 2.4

Business Committee

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Senedd Committees

21 January 2025

Dear Chair,

Business Committee review of the Public Bill and Member Bill processes

The Business Committee is reviewing the Senedd's processes relating to Public Bills and Member Bills. We would like to hear your views on what is working well and what could be improved.

Annexed to this letter are the terms of reference for our work and a list of the areas of focus for our initial evidence gathering we have identified to date. We would welcome your views on the matters within our terms of reference which are relevant to your work, including, but not necessarily limited to, the areas of focus. If there are other matters of relevance to our terms of reference that you would like to raise in your evidence, please do so.

We would be grateful if you could provide your written evidence **by Friday 28 March 2025**. You can either send your submission to SeneddBusiness@senedd.wales or respond to specific questions on each of the areas of focus set out in the [online form](#) available as part of our [open consultation](#).

To ensure that anyone who would like to share their views about the legislative processes is able to do so, we have also issued an [open consultation](#). We would be grateful if you could share the consultation with your stakeholders.

Yours sincerely,



The Rt Hon Elin Jones MS

Chair of the Business Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

Annex: terms of reference and areas of focus for the initial evidence gathering phase

Public Bill process

Terms of reference

To explore options for improving the operation and effectiveness of the Senedd's scrutiny of Public Bills introduced in accordance with Standing Order 26, by reviewing experiences in the Sixth Senedd (and previous Seneddau where relevant), including:

- Relevant procedures, practices, conventions, culture and ways of working.
- The experience of legislating in a hybrid environment.

Areas of focus for the initial evidence gathering phase

- The overall effectiveness of the Senedd's consideration of Public Bills and opportunities for the public and stakeholders to contribute to the Senedd's scrutiny.
- The timetabling of Senedd scrutiny of Public Bills, including: the establishment of Bill timetables in accordance with SO26.7 (and the factors taken into account when timetables are established); and the timing of amendment tabling deadlines, the publication of Marshalled Lists/Groupings Lists and proceedings.
- The explanatory materials and information provided during the Public Bill scrutiny process, including: the requirements for Explanatory Memorandums specified in Standing Orders; the timing of written responses to Stage 1 committee reports; the provision and presentation of other information during scrutiny (such as Welsh Government-provided documents or Senedd Research publications); arrangements regarding explanatory text about the purpose and effect of amendments; and the availability, accessibility and clarity of the guidance available to Members and the public about the legislative process.
- How admissibility of amendments is assessed, and how amendments to Bills are debated and disposed of.
- How the Senedd is asked to agree to the financial consequences of Bills and amendments, including the movement of Financial Resolutions and whether it is sufficiently clear how 'significant' should be interpreted for the purposes of SO26.69-26.71.
- Whether the rules relating to the optional 'Further' amending stages are clear enough.

- The rules relating to emergency Bills.
- Whether the experience of legislating in a hybrid context, in which Members and others may participate virtually or in person, has had any impact on the Senedd's scrutiny of Public Bills.
- Any considerations for the Public Bill process arising from the increase from 60 to 96 Members in 2026 or the increase in the frequency of ordinary Senedd elections from every five years to every four years.

Member Bill process

Terms of reference

To explore options for improving the operation and effectiveness of the Senedd's Member Bill process, by:

- Reviewing experiences in the Sixth Senedd (and previous Seneddau where relevant), including relevant procedures, practices, conventions, culture and ways of working prior to a Member Bill's introduction (including but not limited to the way in which Members are selected for the opportunity to propose a Bill, the process for gaining 'leave to proceed', and the level of information Members are required to provide at these stages).
- Identifying any potential implications for the Member Bill process arising from the increase in the number of Members of the Senedd.
- Identifying and, where appropriate, raising with relevant decision-makers including the Senedd Commission and the Independent Remuneration Board of the Senedd, issues relating to the resource and support available to Members during the Member Bill process.

Areas of focus for the initial evidence gathering phase

- The overall effectiveness of the Member Bill process.
- How Members are selected for the opportunity to propose a Bill.
- How Members are granted leave to introduce Bills.
- The rules about what can, or cannot, be included in a Member Bill, i.e. the 'scope' of such Bills.

- Any considerations for the Member Bill process arising from the increase from 60 to 96 Members in 2026 or the increase in the frequency of ordinary Senedd elections from every five years to every four years.
- The implications of the above for the support and resources available to Members wanting to propose Bills.

Agenda Item 2.5

Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

Andrew RT Davies MS
Chair,
Economy, Trade and Rural Affairs Committee



Llywodraeth Cymru
Welsh Government

23 January 2025

Dear Andrew,

Thank you for your letter of 20 December on behalf of the Economy, Trade, and Rural Affairs Committee, in relation to the temporary closure of the Port of Holyhead. Noting the cross-portfolio nature of the issues raised, this is a joint response on behalf of the Cabinet Secretary for Economy, Energy and Planning and myself.

We fully share the Committee's concerns about the potential short and longer terms impacts as a result of the temporary closure and have sought to ensure that all Members have been kept informed of the collaborative action being taken by the Welsh Government and partners, particularly the Irish Government.

Given the speed of events and subsequent responses, the substantive points you raise are largely addressed through the following statements which provide a chronology of the rapid collective action undertaken:

[Written Statement: Port of Holyhead Closure \(14 December 2024\)](#)

[Joint Communique from the Welsh Government and the Irish Government - Port of Holyhead \(17 December 2024\)](#)

[Written Statement: Welsh Government Update Following the Temporary Closure of Holyhead Port \(19 December 2024\)](#)

[Statement by the Cabinet Secretary for Transport and North Wales: Port of Holyhead \(7 January 2025\) – Item 5](#)

[Written Statement: Welsh Government Statement Following the Reopening of the Port of Holyhead \(16 January 2025\)](#)

We are naturally very pleased that it has been possible for the port to re-open for businesses on 16 January, resuming normal capacity for both ferry operators through the use of berth 5 and making adjustments to the sailings timetable. This should significantly remove the

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challenges that have been faced by the logistics sector and passengers on both sides of the Irish Sea.

Throughout the temporary closure we have collaborated closely with the UK Government and Irish Government, speaking frequently with our ministerial colleagues, including regular discussions between the First Minister and the Taoiseach.

With specific regard to affected business and workers, and cognisant of the potential local and regional economic impacts, we are also working closely with the Isle of Anglesey County Council, which is currently gathering evidence of the potential impact of the closure, including via a survey available on their website for businesses to complete. As of the end of last week, it had received 40 responses. Over 72% of those are from the hospitality, retail and beauty sectors, 18% from logistics and associated services with the remainder being “other” sectors. Common themes were concerns that a reduced number of sailings would impact future revenue and concerns that there would be decreased confidence in Holyhead Port. Whilst the re-opening of the port should address a significant element of those concerns, we are conscious that new challenges may arise. We will jointly review this evidence on an ongoing basis and consider any necessary action following the closure of the survey at the end of January.

Looking forward, to support the port's recovery and minimise the risk of similar events in the future, we have announced the establishment of a Welsh Government-led, multi-stakeholder taskforce. This taskforce will develop a new strategy for the future of Holyhead, focusing on the resilience of sea connectivity between Wales and Ireland. The taskforce will include representatives from the Welsh and Irish Governments, the UK Government, local authorities, regional businesses, logistics bodies, and surface transport operators.

Our plans also involve significant investment in the port's infrastructure. We are committed to ensuring that the port's breakwater can be maintained, allowing the port to remain usable for many decades to come. This investment is crucial in safeguarding the port against future severe weather events and other hazards.

The above illustrates the Welsh Government's commitment to working with all stakeholders to ensure that the port of Holyhead not only recovers, but thrives, providing economic benefits to the region and maintaining its strategic importance in the UK-Ireland trade corridor.

We will of course keep the Committee and other Members of the Senedd informed of developments and would be happy to provide further information if required.

Yours sincerely,



Ken Skates AS/MS

Ysgrifennydd y Cabinet dros Drafnidiaeth
a Gogledd Cymru
Cabinet Secretary for Transport and
North Wales



Rebecca Evans MS

Ysgrifennydd y Cabinet dros yr Economi,
Ynni a Chynllunio
Cabinet Secretary for Economy, Energy and
Planning

Agenda Item 2.6

Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

Vikki Howells AS/MS
Y Gweinidog Addysg Bellach ac Uwch
Minister for Further and Higher Education



Llywodraeth Cymru
Welsh Government

Jenny Rathbone MS
Committee Chair - Equality and Social Justice Committee
Welsh Parliament
SeneddEquality@senedd.wales

23 January 2025

Dear Jenny,

The Disability Employment Gap and the education system

Thank you for your letter concerning the enquiry into the disability employment gap in Wales. We have considered your queries and provided detailed responses below.

In addition to the detailed responses, we would like to emphasise our collective commitment to ensuring that all learners, including disabled learners, are supported as they progress through our education system into employment or self-employment opportunities.

By ensuring that inclusion and equity are fully embedded into our education system, we aim to improve outcomes for all learners. Systemic reforms to the education system are under way in Wales, including the introduction of the Curriculum for Wales and implementation of an Additional Learning Needs (ALN) system.

The [Curriculum for Wales](#) sees every learner as an individual with different strengths and areas for development and gives teachers more flexibility to teach in a way that best meets the individual needs of each child. Alongside the Curriculum for Wales, the ALN system helps ensure that where children and young people need additional learning provision to meet their ALN, they have that provision planned and protected in a statutory plan called an individual development plan (IDP).

The ALN system is replacing the Special Educational Needs (SEN) system and is underpinned by the ALN and Education Tribunal (Wales) Act and ALN Code for Wales. Further information on how education is changing in Wales and the ALN system can be found on the [Welsh Government website](#).

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As young people progress through our education system, we have put in place the support required to enable them to progress into employment, including advice and guidance and specific employability and skills programmes.

[Stronger, Fairer, Greener - our Plan for Employability and Skills](#), published in March 2022 sets out how we are addressing economic inequality, including ensuring nobody is left behind. It sets out the steps we are taking to support people in Wales to navigate and respond to work-related challenges they may face. This includes support for their physical and mental health as well as opportunities for training, upskilling, seeking alternative career pathways or starting their own business.

We have also put in place a range of resources to help employers understand the social model of disability, support them with the recruitment and retention of disabled workers and learn about making reasonable workplace adjustments. This work is led by our team of Disabled People's Employment Champions (DPEC), all of whom have lived experience of being disabled or caring for disabled people. Further resources are also provided through [Business Wales](#) and their Disabled People's Employment Advisers.

You will be aware of the Disability Rights Taskforce, which has worked with disabled people with expertise, Disabled People's Organisations, and Welsh Government policy leads. Its purpose was to bring members together to address the challenges and barriers, which were identified in the Locked-Out Report <https://www.gov.wales/locked-out-liberating-disabled-peoples-lives-and-rights-wales-beyond-covid-19> and which impact many disabled people. The taskforce provided strategic oversight of ten working groups including Employment and Income, Children and Young People and Travel.

The Taskforce has worked with more than 350 external stakeholders and 200 policy leads and has been supported by the Welsh Government's Disability Disparity Evidence Unit and the Disabled Peoples Employment Champions. The recommendations of the taskforce are informing a cross-Government action plan, which will be consulted upon in the Spring. Building on this, we have provided a detailed response against each of the questions posed in your letter below:

- 1. The need to ensure equitable access to work placement opportunities and the need to work with employers to achieve this*

Every effort is made to ensure that young people have equitable access to work placement opportunities.

Through Careers Wales, we provide advice, guidance and support for young people, including those with a disability, to secure work opportunities - [Employment Support | Careers Wales](#).

In addition to supporting young people, our Disabled People's Employment Champions, employed by the Welsh Government, provide practical support to employers across Wales on employing disabled people. Disabled People's Employment Champions offer a free service for public and private sector employers across Wales.

The Champions, supported by Business Wales Disabled People's Employment Advisors, can provide advice and help on issues such as:

- Inclusive recruitment
- Financial support
- Practical advice on staff retention and reasonable adjustments in the workplace
- Ensuring Human Resources policies and workplaces are inclusive

- Promoting the Social Model of Disability
- Supporting employers to progress to Disability Confident leader status

Through Business Wales, we have also put in place support for employers to remove barriers to employment opportunities, more details of which are provided in the answers to your more detailed questions below.

2. *Your assessment of how the Careers Wales work experience scheme for learners in year 10 and 11 is able to support disabled learners? What data you can share with us regarding the proportion of those learners who are disabled?*

A school's curriculum offer in Years 10 and 11 must provide all learners, including disabled learners, with a broad and balanced learning and experiences. It should be designed with the 4 components of the [14 to 16 learner entitlement](#) in mind. Particularly, reflecting on learning and progress and post-16 planning; and wider learning and experiences across the curriculum. This should encompass all the learning and experiences that a learner encounters within their 14 to 16 journey.

This provides an opportunity for schools to provide more tailored and specific [careers and work-related experiences \(CWRE\)](#) within Years 10 and 11 to meet their learners needs. Effective CWRE comprises of age and developmentally appropriate careers education, supported by a wide range of relevant work-related learning experiences and environments. To help ensure learners are engaged in CWRE, schools and settings should have regard to a range of factors including additional learning needs.

Through the Renew and Reform project, which aimed to address the impact of Covid-19 on education and training, the Welsh Government asked Careers Wales (CW) to deliver a Tailored Work Experience (TWE) project, to help reengage year 10 and 11 learners with their GCSE studies so they could transition successfully onto the next stage of their education or training journey. From 2022 to 2024, Careers Wales received an additional £517,000 to work with 2 schools from each of the 22 local authorities in Wales to offer 500 TWE placements. By the end of March 2024 over 600 young people had taken part in a TWE placement.

For 2024/25, Welsh Government secured a further £250,000 for the TWE project, enabling the project to continue on a smaller scale. Careers Wales were asked to offer a further 250 placements for learners, across 5 clusters of Local Authorities. Careers Wales can identify 55 learners from their records who have been placed on a TWE placement and had a disability.

Careers Wales has a team of ALN advisers who work predominantly in special schools and resource bases. Careers Wales work with young people to help them understand their options, make good decisions about their future and support them to implement their plans.

Data

The Public Sector Equality Duty Report 2022/23 shows that Careers Wales supported 2,096 disabled young people in statutory education and 880 young people in 16-17 post statutory education (the 2023/24 report is due to be published this spring).

During 2023/24 Careers Wales provided 4,686 one-to-one interactions to young people who have a statement / statement equivalent or an individual development plan. As part of their ALN support Careers Wales also attended 3,612 transitional reviews with schools, providers, parents and young people to ensure a smooth transition.

The My Future section on the Careers Wales website supports young learners up to Level One with easy-to-read careers information. During 2023/24 this page was accessed by 6,600 users, also nine new videos were added to showcase different jobs including an animator, office worker and fitness instructor.

Careers Wales also publish annual reports, detailing progress towards their key performance indicators – the latest annual report can be found via the following link: [Our annual report | Careers Wales](#).

In addition, Careers Wales produce case studies that illustrate and highlight the impact of their work, including those with a disability. We have provided one such case study below:

Case study – Tailored Work Experience

Placement: Garage

X was referred to TWE as he was showing signs of disengagement at school. X wears a cochlear implant for his left ear and finds it hard to throw himself into school due to his hearing loss.

Since starting his placement X has increased his days and now attends twice a week. The garage is hugely supportive of X. X helps out over the holidays and receives high praise from the employer for his work ethic. X's low attendance at school has increased to 94% since attending TWE. The school reports 108 positives and 49 negative records and said that X attending TWE twice a week is a great outcome for him, he has grown in confidence when communicating with staff and his peers since starting TWE and is happier at school week.

X finds his placement really interesting and appreciates the trust the staff at the garage have in him to allow him to work on complicated jobs with them. He said he's learning to problem solve. X said it feels great to be good at something and feels happier and more confident since being on placement. The garage are immensely proud to have him at the garage and would love to offer him an opportunity when he finishes school.

3. *More broadly, your assessment of how the "Careers and work related experiences" (CWRE) part of the Curriculum for Wales and associated statutory guidance is supporting disabled learners.*

Effective Careers and work-related experiences (CWRE) is comprised of age- and developmentally appropriate careers education embedded across the areas of learning and experience (Areas).

The guidance states that to help ensure that learners are engaged in CWRE, schools or settings should have regard to a range of factors such as learners' age, knowledge and additional learning needs. It also states that in order for practitioners to maximise the benefits of work-related experiences, it is useful to ensure that experiences are accessible to all learners and take into account their specific needs and interests.

The guidance builds on this and sets out that when considering work-related experiences, it is important for practitioners to challenge their own perspectives as well as those of learners, parents and carers, on issues such as workplace stereotypes. Labour market information enables learners to be aware of pay, roles and location.

Schools and settings should incorporate developmentally appropriate, impartial and current labour market information, at a local, regional and national level, to ensure CWRE provision is well designed to meet the needs of all learners.

Careers Wales CWRE support is available to all young people, (including those who have a disability) in mainstream and special schools. Careers Wales work in partnership with all mainstream secondary and special schools to agree and then organise bespoke events such as visits to employer premises or visits by employers to schools to provide a talk to learners.

Careers Wales also hold a series of regional 'What Next' career fairs for learners with ALN. The aim of these events is to highlight the employers and providers that can offer progression routes for these learners. Contributors at the events bring interactive and engaging activities that enable learners to 'have a go' at a range of careers related tasks to illustrate opportunities that might be open to them when they leave school. Feedback from learners, teachers and employers is always very positive. The Careers Wales Big Ideas Wales role model workshops are also offered to ALN learners.

Careers Wales have a number of resources available to support schools deliver CWRE, including:

- The CWRE toolkit, a resource to support all teachers, senior leadership teams and those supporting young people, to realise and embed CWRE in their schools and settings. The resource is made up of a toolkit and a toolbox which provides information and resources to support the development, implementation, and evaluation of careers education provision.
- The Careers Wales Quality Award which aims to support all schools and settings with learners aged 3 to 16, with the development of purposeful and relevant CWRE across the curriculum. The award is currently being piloted ready for 2026.

4. *The extent to which schools and other education settings are working with employers and third party organisations to provide high-quality enrichment experiences for learners, in line with Welsh Government's statutory guidance. What data can you share with us?*

Schools

The Curriculum for Wales, and particularly the opportunity to take a more individualised approach to learning and tailor their offer, is supporting our school leaders to increase equity and inclusivity for all our learners, including those with disabilities.

The Curriculum for Wales statutory guidance is a clear statement of what is important in delivering a broad and balanced education for all learners. It challenges schools to choose the specific experiences, knowledge, and skills that best support their learners, raising expectations. High quality learning experiences should promote learners' independence, offering challenge and the opportunity to experience success along their learning journey. These experiences should respect and value the uniqueness of every learner.

Careers Wales bring together schools and businesses, with the aim of informing, inspiring and motivating young people about their career opportunities. Careers Wales have the following offer:

- The Valued Partner Initiative which recognises sustainable relationships between employers and schools. CW provide additional support to help maintain and strengthen relationships and have widened the Valued Partner Initiative to include teacher employer encounters, to support teachers gain a better understanding of the current world of work.
- Up to 6 employer-led activities in each secondary school, PRU and special school. They are bespoke and based on Career Check data, LMI and the needs of the school. Activities include single employer events (presentations, site visits, mock interviews etc), multiple employer events (speed networking and carousel days), and specific curriculum enrichment input.
- The development of nine employer-led, sector-based challenges to embed CWRE. Careers Wales have developed the curriculum-related challenges in partnership with: Vishay (Compound Semi-Conductors) and Bryn Celynnog Comprehensive, Toyota (Advanced Manufacturing) and Ysgol Treffynnon and Starling Bank (Fintech) with Llangatwg Comprehensive. These challenges are currently being piloted before being made available to other schools in 2025. Further challenges are planned with, Digital Health and Care Wales, Celtic Group, Drop Bear Brewery and RWE Renewables.
- What Next? regional careers fairs for ALN learners.
- Access to an extensive library of employer videos.
- Supporting schools to develop alumni networks.
- Tailored Work Experience (TWE) programme.
- Big Ideas Wales, which includes a national enterprise challenge in primary schools and at least 1,000 entrepreneur role model workshops in secondary schools per annum. The activity is led by a diverse network of over 400 entrepreneurs, known as Role Models, to share business experiences and personal journey of entrepreneurship and bring areas of the curriculum to life. The network includes disabled entrepreneurs such as [Mark Williams](#) of Limb Art in North Wales to inspire learners and share their lived experiences.
- The Alumni project.

In October 2024, Careers Wales launched Bluestone on their CareersCraft resource. Learners can now explore the wide range of careers in tourism and hospitality. From lifeguards to chefs, spa assistants and photographers, learners can now explore the roles and consider the skills needed for them and consider how these skills may be transferable to, or from, other careers.

Careers Wales also support employers to engage with schools. This includes:

- Bespoke advice and guidance on working in education and how to design their input, with access to training if required.
- A dedicated section on our website packed full of information for employers.
- Annual Valued Partner awards to recognise and promote employer contributions.

Data

All available published data has been provided in our response. To summarise this component, in providing support to schools, Careers Wales have delivered over 1,500 group sessions to over 26,000 learners and over 1,100 employer events. In addition, Big Ideas Wales includes a national enterprise challenge in primary schools and at least 1,000 entrepreneur role model workshops in secondary schools each year.

Further Education (FE)

Embedded within the Employment & Enterprise Bureaus in each college across Wales, an Enterprise Champion has been funded in all FE colleges to raise awareness of entrepreneurship as a career option, provide opportunities to learn and practice entrepreneurship skills and explore self-employment as a career option and supporting those students who want to become self-employment or starting a business to do so. Responsibility for the Bureaus has been transferred to Medr as of August 2024. The Enterprise Champions work across the student cohort ensuring that disabled students can access support and guidance by targeting courses where there is a higher number of disabled students, responding to where a tutor has requested specific support for a/group of students as well as promoting achievements of disabled students.

Employment and enterprise bureaus

The key objectives of the bureaus are to offer a recruitment service to local employers and increase the employment opportunities available to learners within colleges.

The [funding](#) supports the costs of an entrepreneurship champion who:

- works with learners (and leavers) from the institution to champion entrepreneurship and support staff to embed entrepreneurship in the curriculum, and
- provides bespoke support to learners and leavers to develop their entrepreneurship ideas and business knowledge, and improve pathways and support them into self-employment and business start-up.
- Employment and Enterprise Bureaus help employers to connect with students and develop their future workforce.
- The Employment and Enterprise Bureaus provide a package of opportunities for students, full and part-time, to build essential employability and enterprise skills. The Bureaus are part of the Welsh Government's Young Person's Guarantee – a commitment to provide everyone under the age of 25 and living in Wales with support to gain a place in education or training and help to get into work or become self-employed.
- The Bureaus, operating in Further Education College in Wales, are inviting employers to engage with them to meet students and discuss employment opportunities they may have within their organisations.
- Each Bureau offers tailored support to students within their college but is open to nurturing ongoing opportunities with employers in their region.

Higher Education (HE)

Universities continue to provide targeted employability support to students from under-represented groups, which includes disabled students. As set out in the circular '[Targeted Employability Support for Students: Delivery Plans and Allocations](#)', £2m was made available for academic year 2023/24. This builds on the activity delivered in academic year 2022/23 against Circular W22/21HE.

Whilst universities have flexibility to build their provision and offer to best meet the needs of their students, it is expected that support includes:

- Mentoring,
- blended delivery of a range of employability activities, including entrepreneurship support,
- signposting / supported access to each university's core employability,
- careers guidance, enterprise and well-being provision,
- provision of funding for costs associated with development of employability and / or work experience to ensure finances are not a barrier to benefiting from the support,
- work experience, of varying lengths and formats.

The Welsh Government provides additional grant funding to support all HE institutions in Wales to promote entrepreneurship, connect with entrepreneurs, and provide support for student and graduate entrepreneurship. They support graduate transition into entrepreneurship and business startup, each publishing their impact report annually.

5. How is the Welsh Government ensuring that disabled learners have the flexibility and support they need to access further education? What your expectations are of how FE, HE and their careers departments support disabled learners onwards into internships and apprenticeships? And how are you engaging with the Cabinet Secretary for Economy, Energy and Planning in this regard.

All colleges and universities have equalities plans in place and work collaboratively to achieve commitments including promoting equity of access and equality of opportunity. Medr reviews their Strategic Equality Plans, which set out how they will meet duties under the Equality Act, including the protected characteristic of disability.

Colleges are working collaboratively across Wales to meet their equality commitments. They attend ColegauCymru's FE Equality and Diversity Strategic Group. This network considers matters of equality, diversity and inclusion, and reports to the Principals' Forum on actions to make progress.

Universities work collaboratively to achieve equality commitments, including widening participation, and identifying equality gaps in attainment. They have supporting networks and Equalities Leads in place to support and monitor progress.

Further Education

In August 2024, Additional Support Guidance was issued to further education providers to assist with working flexibly and securing support to make provision accessible to learners. It also assists with the costs of making reasonable adjustments, for learners with protected characteristics under the Equality Act 2010.

College activity is delivered in line with the Social Model of Disability, which includes:

- Bespoke Careers Fairs and events for students with additional learning needs or quiet hours for those attending main events.
- Offering intensive coaching to students with disabilities.
- Tailored resources and sessions as appropriate, and information sessions on disability rights and adjustments in the workplace.
- Employers who advertise through colleges are committed to adhering to the Fair Working Policy in Wales.

- Working with employers to support and facilitate inclusive recruitment.
- Working specifically with Disabled Confident Employers to create placements for students with disabilities ensuring reasonable adjustments are taken into account.

Specific examples of activity include:

- Grŵp Llandrillo Menai supported 31 individuals with a disability into apprenticeships with a disability uplift intended to support employers to remove barriers for learners in line with the social model of disability.
- Coleg y Cymoedd invited Disability Confident organisations to exhibit and offer specialised information and advice at their annual careers fair, including organisations such as Drive, Maximus and PHS 'Project Search' which is a tailored supported internship for 18-24 year olds with ALN and/or Autism.
- The College Merthyr Tydfil supports an Internship Programme with Independent Living Skills (ILS) learners, where they have the opportunity to undertake internships with Prince Charles Hospital.
- The College Merthyr Tydfil is also working closely with Maximus to support progression into employment for learners with an ALN. Maximus supports learners by attending Careers and ALN events where they offer tailored assistance and resources to help find work.

Higher Education

Universities are focused on embedding employability into the curriculum so that it is accessible to all. Careers departments work with disabled students so that they have appropriate information and advice to build successful outcomes in line with their career plans when they graduate, including employment, internships, self-employment and/or further study.

Universities also work with employers and other stakeholders to deliver targeted interventions to their disabled students to meet their career and employability needs.

The [Targeted Employability Support for Students](#) funding from Medr enables universities to provide tailored support, for those from under-represented groups, including disabled students, to enhance their employability and help them to obtain and sustain graduate level activity when they leave higher education. This includes the [Employability e-Hub](#) - a resource for students who wish to work in Wales. It is committed to helping students along their individual path to success, and provides valuable opportunities including:

- work experience,
- career coaching,
- skills development,
- direct engagement with employers.

The [Reaching Wider](#) Programme is a collaboration of FE, HE and other educational partners delivering widening access activity to encourage school and college learners to consider the futures and their education aspirations as well as academic skills building and mentoring.

It is funded by [Medr](#) and includes all FE and HE institutions in Wales. They also work with local authorities, employers, schools and third sector organisations to improve the education outcomes of learners. It is a regionally focused and long-term programme to widen access to HE and higher-level skills. It aims to increase HE participation from under-represented groups, including disabled students, by raising educational aspirations and skills and creating innovative study opportunities and learning pathways to higher education.

Medr

Medr's [Strategic Equality Plan](#) and equality objectives take account of the Equality Act 2010 and the Public Sector Equality Duty (PSED). It contributes to meeting the Welsh Government's ambitions for an integrated and equitable tertiary education, tackling inequalities and promoting equality of opportunity.

Their [Strategic Plan](#) is intended to be set direction and give a sense of priority - it will be supported by an Operational Plan, developed by Medr, which will provide more detail to monitor progress and ensure delivery of individual work streams.

Apprenticeships

Since September 2024 Careers Wales has offered a career's guidance interview to all key stage 4 young people before they leave statutory education. This ensures young people are provided with impartial information and are made aware of all their future pathway options, including, FE, apprenticeships and Jobs Growth Wales+ to make an informed decision regarding their next steps. For those in special schools and resource bases Careers Wales will negotiate the best time to start working with a young person. For some this will be year 9 as they may need a lot of time working with an adviser whilst for others it may be later in their education.

Careers advice and support is tailored to an individual's need but could include:

- Support to develop their career management skills such as decision making and planning,
- Guidance to help a young person identify what type of work they would like to do and how they could get there,
- Practical support to ensure that they have a good transition from school,
- Signposting/referring to other agencies that provide additional support services,
- Advocating on behalf of an individual,
- Negotiating with providers on behalf of an individual,
- Outlining options for parents.

For all Key Stage 4 young people who have identified that they plan on leaving school and are looking to enter the labour market, Careers Wales offers ongoing follow up support which may include support with interview skills/applications.

From April to November 2024 Careers Wales provided 41,000 guidance interviews to over 30,000 learners, including 34,460 guidance interviews to 25,244 Key Stage 4 learners, 52% of year 11 learners, and 2,621 interviews to 1,945 ALN learners.

We are working to increase diversity in apprenticeships and promote social mobility as an investment in economic success and lasting growth. For example, the Inclusive Apprenticeships Disability Action Plan has supported the growth of disabled apprenticeship. In 2022/23, 11.6% of all apprenticeship learning programmes were started by learners who identified as having a disability and/or learning difficulty, compared with 5.8% in the academic year 2016-17.

The Employer Incentive Scheme also encourages employers to recruit disabled people by providing a financial incentive and in-work support for this cohort to enable them to successfully complete their apprenticeship programme.

The Supported Shared Apprenticeships provides additional support to disabled apprentices with intensive and wide-ranging employment and learning needs. Support provided may be through job coaching or other specialist resource.

We have also recently agreed to modify the Specification of Apprenticeship Standards for Wales (SASW). Part of these modifications include opening up the essential skills entry requirements for levels 2 and 3 for those people with learning difficulties and disabilities. This will provide a more inclusive offer and widen participation by enabling more disabled people to access the apprenticeship programme.

Regarding engagement, Ministers and Cabinet Secretaries are working towards delivery of the Programme for Government commitments and First Minister's priorities that fall across all portfolios. We meet regularly with Ministerial colleagues, to keep them apprised of areas of cross cutting mutual responsibility. The Minister for Further and Higher Education works closely with the Minister for Culture, Skills and Social Partnership on areas of mutual interest. There is also a Ministerial expectation that officials, from across Welsh Government, work closely together to identify and address gaps in provision and identify future opportunities.

6. What are the implications, if any, of relatively new Additional Learning Needs legislation and guidance on careers advice and support for disabled young people?

The new Additional Learning Needs legislation and guidance has created one unified system from 0-25 with an Individual Development Plan (IDP) that follows a child and young person through all stages of their education. From September 2025 all disabled young person with ALN will now have an IDP. Careers Wales have reviewed and re-aligned their approach to careers advice and support in light of the new legislation.

Careers Wales have set out and shared with schools and families a clear offer alongside the ALNET Act Implementation. All young people are entitled to access careers information, advice and guidance from Careers Wales, delivered via face to face, telephone, video or digital means. Careers Wales also has a team of ALN advisers who work predominantly in special schools and resource bases. All careers advisers work with young people to help them understand their options, make good decisions about their future and know how to implement their plans. This work may begin earlier than year 11 where appropriate.

For young people identified as having ALN, Careers Wales offer to attend Individual Development Plan (IDP) reviews and have identified those who are leaving to enter the labour market as a priority group. In those reviews Careers Wales may contribute to the transition element of the IDP, advocate on behalf of a young person and make parents aware of opportunities. This year, as young people with IDPs are now in college, Careers Wales have also offered to attend college IDP reviews for young people who are leaving college to enter the labour market.

During the 2023/24 academic year, Careers Wales carried out 1,445 interviews with ALN Learners across all year groups and settings (43 in KS3, 117 in KS4, 249 in post-16, 131 in FE). The move towards the full roll-out of ALNET is increasing the number of interviews undertaken as the emphasis for Career Wales' work changes from Learning and Skills Plans (LSPs) and funding applications, to increased direct work with young people. Careers Wales also attended 218 ALN reviews, as well as undertaking almost 5,000 advocacy and liaison interactions on behalf of young people.

7. *Any other information you want to draw to our attention as to how the Welsh Government is supporting learners in their transition from school-age to the world of work for disabled people?*

Review of Vocational Qualifications

Taking forward the recommendations of both the [Review of Vocational Qualifications](#) and the [Report on Transitions into Employment](#) is a key priority for Welsh Government. Both reports outline where improvements could be made to ensure a smoother transition for all learners from school into employment, including disabled people.

Since the summer 2024, we have established small internal and external working groups (Welsh Government, Qualifications Wales and Medr thus far – with a view to expanding the membership as required) to look in depth at the recommendations and consider how best to engage the sector. The working groups will be instrumental in overseeing the delivery of the recommendations outlined in both reports.

It is important to note that there are many co-dependencies associated with delivery of the recommendations. The strategic relationship between Welsh Government, Qualifications Wales and Medr is of significant importance in terms of achieving delivery.

The 14-16 Learning Guidance, published in September 2024, sets out our policy for learning and teaching in years 10 and 11, alongside the legal requirements for schools and will form part of the Curriculum for Wales framework guidance. The guidance aims to support schools to design their 14 to 16 curriculum offer, which they will need to have in place by September 2025.

The importance of years 10 and 11 in a learners' education journey is well known, particularly how their choices and achievements can influence their future pathways. The guidance therefore introduces the 14 to 16 Learner Entitlement ('the Learner Entitlement'): the learning that all learners in year 10 and 11 will benefit from under the Curriculum for Wales. In addition to a broad offer of qualifications, the entitlement also looks to ensure all learners are supported to understand their strengths and interests, and to plan their next steps once they leave compulsory education at 16, helping them with this significant transition.

Through the guidance we set out our clear national expectations to help provide equity and consistency in the curriculum experienced by learners across Wales, with all schools valuing the same things that contribute to a learner's progression and successful onward transition.

Being part of the Curriculum for Wales framework, the 14-16 guidance places the learner at the centre with a clear focus on all learners being supported to make progress and supported to consider the full range of options available to them post-16.

Disabled People's Employment Champions

One of the strategic objectives of the Disabled People's Employment Champions is to work with policy leads across Welsh Government to contribute lived experience and knowledge to influence the development of wider Welsh Government policy which impacts on disabled people's employment. The champions are delivering this by supporting the work of the Young Person's Guarantee Board and the development of the new Welsh Government Employability Programme. They have also established an effective working relationship with Careers Wales and in 2025 will explore opportunities to work more closely with Medr.

Inspiring Skills Excellence in Wales

Our [Inspiring Skills Excellence in Wales](#) project, funded by the Welsh Government, delivers a programme of activities linked to Skills Competitions that raise awareness of vocational education and training and career pathways.

The project works with partners to promote and facilitate engagement and collaborative approaches between schools, learners and employers to build confidence and knowledge of the world of work, and support learners to make informed choices about their careers and their futures.

In particular, it offers opportunities for learners, apprentices and trainees with disabilities and Additional Learning Needs (ALN) to challenge and benchmark their skills by taking part in Inclusive Skills / Foundation Skills competitions, locally and nationally across a range of sectors.

In Wales, the Skills Competition Wales delivers 9 Inclusive Skills / Foundation Skills competitions, from Catering and Media to Woodwork and Independent Life Skills. In January 2024, over 200 learners participated in these competitions from across Wales.

8. How are you engaging with the Cabinet Secretary for Economy, Energy and Planning to ensure that young people have as wide a range as possible of options post-16? For example, we have heard concerns of a “cliff-edge” faced by disabled people in accessing certain age-restricted placements and schemes e.g. Jobs Growth Wales? What consideration has been given to widening access to disabled people of all ages?

As highlighted in response to question 5, the Minister for Further and Higher Education works closely with the Minister for Culture, Skills and Social Partnership on areas of mutual interest and there is also a Ministerial expectation that officials, from across Welsh Government, work closely together to identify and address gaps in provision and identify future opportunities. This is hopefully illustrated in the cross-cutting nature of the work being undertaken as detailed in the responses to the specific questions raised.

Jobs Growth Wales+

Jobs Growth Wales+ (JGW+) was originally procured in 2021 with the tender documentation specifying an age range of 16-18. As a result of the impacts of the Pandemic, this age range was extended to allow young people aged 19 to also enter the programme. However, it is not possible to alter the age range any further as this would fundamentally change the offer and could therefore be open to legal challenge from potential suppliers.

Any future programme that is operational from 2027 will consider examples of best practice and will benefit from lessons learnt during the operational delivery of existing employability support, this will include support for specific cohorts such as the required support for disabled people.

As part of the programme we do publish data on the number and composition of participants on JGW+ including those with a disability – this information can be accessed via the following link - [Jobs Growth Wales+ statistics: April 2023 to March 2024 \[HTML\] | GOV.WALES](#)

Vocational Qualifications review

We published our response to the Vocational Qualifications Review (VQR) at the end of April 2024 and are working with colleges to ensure that our approach responds to the needs of learners and our changing economy.

We are progressing discussions about how best to align delivery of these recommendations with related strategic commitments, including our economic mission, related skills development requirements and increasing participation.

Our priority is for all learners to have a positive learning experience, ensuring they can progress confidently to their next steps in education and/or employment.

We will continue to work with Careers Wales to determine how we can best ensure young people, at key transition points, have access to impartial careers information, advice and guidance; ensuring they are aware of all the option routes, including learners with disabilities and learning difficulties.

In addition, Qualifications Wales have been working to pilot the development of route maps for vocational areas. Once the findings of the pilot have been considered, it is hoped that these route maps will be further developed and included on a suitable digital platform so that they are accessible and engaging for learners and stakeholders alike.

Business Wales

Big Ideas Wales has a Participation Fund to support clients that require additional help to access the business support. This has assisted with costs to remove barriers for clients including translation, transportation, carers and practical support to attend and participate in events or 1:1 meetings.

As part of the commitment to the Programme for Government to close the gap between disabled people and the rest of the working population, Business Wales works closely with the Welsh Government's Disabled People Employment Champions to provide support to ensure that the service develops and considers the needs of those who are disabled. The Business Advisers work closely with the Disabled People's Employment Champions and Disabled People's Employment Advisers within the Business Wales service.

To support disabled entrepreneurs, Business Wales and Disability Wales has produced a good practice guide. The guide provides information and practical advice for business support organisations and advisors on how best to engage with and support disabled people who are starting, sustaining or growing their business in Wales
<https://businesswales.gov.wales/good-practice-guide-supporting-disabled-entrepreneurs-wales>

Business Wales start-up support is available to assist individuals to overcome any barriers to participation in self-employment; and works with businesses to improve employment practices through specialist HR and equalities advice and supports employment opportunities for disabled people.

Specialist support to improve practices is available from Disabled Peoples Employment Advisers who work across Wales and provide tailored support according to client need on a one-to-one basis or at staff meetings. This is part of a wider advisory service for employment, skills and fair work, including stimulating job creation and improving employment policies and practices in inclusive recruitment and retention, encouraging business to review the equalities pledge and wider schemes such as Disability Confident.

We also provide funding to Social Firms Wales to provide bespoke specialist business support to social enterprises. Social Firms Wales supports social enterprises who support and/or employ people with disabilities and have a self-employment and supported self-employment service which includes additional support for people living with neuro-diverse conditions. The support package aligns with the Programme for Government commitment to tackle challenges faced by people across Wales and how to improve their lives.

Business Wales promotes self-employment and employment opportunities for disabled people through events, newsletters and social media channels, as well as Business Wales advisory support.

This includes a range of information and guidance on the Business Wales website on supporting disabled people within the workforce [Disabled People's Employment | Business Wales Skills Gateway \(gov.wales\)](#). [The Disabled People's Employment Champions have recently commenced a project to review and update all web-based content and refreshed content will be published throughout 2025.](#)

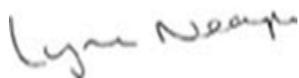
Business Wales has developed an online module developed to help employers increase their knowledge and understanding of the social model of disability [Course: Understanding the Social Model of Disability \(gov.wales\)](#) Work is underway to make this training available to public sector employers

Conclusion

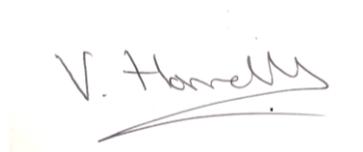
We hope that we have provided a comprehensive response to the queries outlined in your letter and set out the work being undertaken by Welsh Government to support all learners, particularly those with a disability.

In turn, we are copying this letter to the Chairs of the Children, Young People and Education Committee; and the Economy, Trade and Rural Affairs Committee.

Yours sincerely



Lynne Neagle AS/MS
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education



Vikki Howells AS/MS
Y Gweinidog Addysg Bellach ac Uwch
Minister for Further and Higher Education

Agenda Item 2.7



Mr. Andrew R.T. Davies
Chair, Senedd Economy, Transport & Rural Affairs Committee
Welsh Government
Cardiff Bay
CF99 1NA

Via email to: SeneddEconomy@senedd.wales

24th January 2025

Dear Mr. Davies,

May I take this opportunity to congratulate you on your recent appointment as Chair of the Senedd Economy, Transport & Rural Affairs Committee.

I write today with responses to the supplementary questions requested by the committee in regard to the Annual Scrutiny of the Development Bank of Wales held at the Senedd on 20th November 2024.

Please do not hesitate to get in touch should you require any further information.

Yours sincerely,

Giles Thorley

Chief Executive.

Development Bank of Wales Plc

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Mewn Partneriaeth â
Llywodraeth Cymru
In Partnership with
Welsh Government

Development Bank of Wales Plc is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at www.developmentbank.wales

Pack Page 30

The Development Bank of Wales’ Annual Report shows that 76% of jobs created by the Bank in 2023-24 were in median to high pay jobs, and this proportion rises to 90% when just looking at equity investments. How do these figures compare to previous years and how are they used to guide investments in the current year?

Below is a comparison of the data for the last two financial years.

Impact report year	Full sample	Equity investment sample
2023/24	76%	90%
2022/23	62%	96%

In order to interpret the reported measures, it is important to consider the data included within the impact report alongside our [impact data disclosures document](#). This document explains in more detail how the annually reported figures are derived, specifically that the data is collected on a sample basis and does not represent an analysis of jobs as a result of in year investment activity.

This topic was also discussed at annual scrutiny [March 2023](#).

These metrics are not key performance indicators for our activity, and the reporting in any given year is heavily shaped by the market, the individual fund investment profiles and how long a reporting business has been a customer. We do, however, use the data to inform investment policy and action plans; promoting best practice and adding value wherever possible.

Impact returns are the outcomes realised in the years following investment rather than captured at the point of investment. They do not determine individual investments made (these being based on fund parameters, eligibility and viability), and our view is that we would not decline or approve a business for investment purely on the potential for wider KPI’s. The returns do however shape our strategy in terms of fundraising, business development, outreach, sponsorship, marketing and communications.

As shown in the above table and noted by the committee, companies receiving equity investment report a higher proportion of median to high pay jobs. Working with the Welsh Government and other funders to make this product available to businesses with the potential to grow and create those higher numbers of well-paid jobs is a core part of the Development Bank’s long-term strategy.

The annual remuneration of the highest paid director increased by 20% between 2023 and 2024, rising from £217,000 to £260,000. How was the scale of this increase determined, and to what extent is it directly related to the performance of the Bank?

Remuneration at the Development Bank is based on four elements:

- Base pay which is externally benchmarked by a third party every three years
- Consolidated annual cost of living increase which is based on performance
- Non-consolidated performance incentives which are based on performance
- Defined contribution pension through Legal and General

For a limited number of senior executives, incentive payments include both in-year performance and long-term deferred incentives, based on historic performance which are a standard method of compensation in the financial services sector, designed to maintain focus on overall fund performance and attract and retain senior talent. In 2023/24 the Development Bank reached year 3 of its first long-term deferred incentive schemes which weights incentives for performance based on the enduring performance of investments made in 2020/21

The overall pay protocol is agreed with the Welsh Government with implementation overseen by the group Remuneration Committee. The committee reports on its activity annually as part of the Annual Report and Accounts (page 111 in 2023/24).

During the meeting, we briefly discussed the Bank's pay differential, and while you noted that the Bank's pay and benefits are externally benchmarked, a clear figure for the differential was not provided. Could you therefore please clarify what this is.

Base salary differential

2023/24

Highest v Lowest Multiple 9.07

Highest v Mean Multiple 3.94

Highest v Median Multiple 4.47

Recommendation 11 of the Committee's report suggested that the Welsh Government and the Development Bank of Wales should both give consideration to how views of businesses can be collected in a confidential and/or anonymous way, including from those businesses that either haven't used the Bank before, or have applied for support and been unsuccessful. In response you noted that you have opened a route whereby people can e-mail your General Counsel directly. The Committee was aware of this route when drafting its report and, while welcome, would like to know whether any additional routes are being considered, as this was the intention of the recommendation.

In addition to the change noted above, made following the inquiry, we are increasing the frequency of our stakeholder perceptions surveys. These are conducted by a third party for independence and seek views and opinions from a range of stakeholders including:

- Businesses who have received investment
- Businesses who have not received investment
- Advocacy and membership bodies
- Co-investors
- Intermediaries

DBW's written evidence to the Committee's Green Economy inquiry stated that "Net Zero is the single largest economic mission in Wales". What percentage of the Bank's loans and investments in the last financial year directly supported this mission?

In 2023/24, c.17% of funds invested supported businesses creating a positive contribution towards Net Zero ambition through both targeted green products and general investment funds. We expect these figures to increase as we extend our offer in support of the Welsh Government's Net Zero policy priorities.

The Development Bank of Wales operates several targeted schemes in support of Net Zero:

- Green Homes Incentive - incentivising SME property developers to use greener methods of construction (launched 2022)
- Green Business Loan Scheme - supporting Welsh businesses in undertaking energy efficiency and decarbonisation projects (launched 2023)
- Green Homes Wales - Supporting Welsh homeowners improve the energy efficiency and decarbonise their homes. (launched 2024)

Also, since April 2023 the Help to Buy - Wales scheme has limited its support to homes with an EPC rating of B or above.

In addition to these targeted schemes, we support many more investments through our general funding whose activities have direct impact on Net Zero ambitions including backing innovation and Green Tech businesses with equity investment.

While this covers investment in Net Zero activity and innovation, we are also working closely with the wider portfolio of customers to support their own transition planning and therefore our impact extends beyond the initial investment.

You mentioned the maximum investment the Bank can make "in a management succession fund is £5 million. Would you be able to give us more detail around how that limit was set including details of any planned review of the limit and, if it is regularly updated the method for this?

The maximum amount in one round from the Wales Management Succession Fund is £3 million however we can and do combine money from across funds and instruments (debt and equity) to fund larger transactions up to £10 million.

The investment limit from any one particularly fund is set relative to a range of factors:

- The total size of the fund
- Any targets for the number of businesses a fund is forecast to support
- Evidence around the size of the market gap
- Appropriate diversification to manage risk at a fund level and meet the fund return requirements
- An assessment of the market gap based on research undertaken during fund design. This work showed that the market gap for succession transactions was below £10 million with the private sector meeting the requirement for larger transactions.

It is also worth noting that the Development Bank provides loan management and monitoring services to the Welsh Government where the Welsh Government itself has provided loans to organisations.

Could you provide more detail about the Bank's relationship with FW Capital, specifically details around how the fund interacts with DBW and how much direct management is involved from DBW in FW Capital investments.

FW Capital, a subsidiary of the Development Bank of Wales, operates as a fund manager regulated by the FCA for third-party funds. It currently manages over £400 million across seven funds in England and Wales, on behalf of various investors including the British Business Bank, Clwyd Pension Fund, Teeside Pension Fund, and the North East Local Enterprise Partnership. The company has its own board, comprising Development Bank senior executives and FW Capital fund directors, which meets quarterly.

The remit letter, 2021/26, para 5.2 states: "I invite DBW to actively work to identify solutions which create the potential to increase the flow of funds into Wales – for example, developing its relationship with other appropriate investment providers such as the British Business Bank and UK Infrastructure Bank."

Investments outside Wales are managed by the dedicated FW Capital team. Within Wales, the company operates two funds: the larger debt segment of the British Business Bank's Investment Fund for Wales and the Wales Management Succession Fund, backed by the Clwyd Pension Fund. These funds are delivered operationally by the customer-facing Development Bank of Wales team, with FW Capital covering the delivery costs.

The whole group benefits from integrated back-office and management support, and this financial year, FW Capital will contribute c. £2 million towards the group's operating costs through a

recharge mechanism. Additionally, it has contributed £1 million from profits to the Wales Rescue and Restructure Fund, which supports companies in difficulty.

Through FW Capital, the Development Bank has established a strong track record in managing third-party funds. Given the risks from reclassification and the potential opportunities in the UK arising from pension fund consolidation and the creation of the National Wealth Fund, having an accredited vehicle and a strong reputation for delivery positions us well to be agile in response to any new funding mechanisms and further support core activity in Wales.

Agenda Item 3

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Sustainable Farming Scheme

Written Evidence for the Economy, Trade, and Rural Affairs Committee

05/02/2025

This document provides evidence to support scrutiny of the Sustainable Farming Scheme.

Within the document you will find an introduction and background information on the Welsh Government's *Sustainable Farming Scheme – Keeping Farmers Farming* consultation, which was published in December 2023, details on the extensive collaboration which has taken place with key stakeholders following analysis of the consultation responses, a brief outline of the proposed revised Scheme being taken forward for modelling purposes, as well as next steps.

Please note, a more detailed Scheme Outline is available as per the Written Statement published on 25 November 2024.

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2.	Background	4
3.	Scheme development	5
4.	Scheme Outline	7
5.	Next Steps	11
6.	Annexes.....	12

1. Introduction

Farming is crucial to Wales; to our culture and to our economy, and we are determined to ensure a successful and sustainable future for Welsh farming.

Producing safe, high-quality food in Wales is vital. The climate emergency is the main risk to food production over the long term, and our natural ecosystems provide some of the best defence we have in the adaptation and mitigation of climate change. Farming contributes much more than just the food we eat. A prosperous industry is vital to support farmers to produce food sustainably and provide a wealth of economic, environmental and social benefits. We cannot have separate conversations about food versus the environment – they are dependent on each other.

Our ambition for the Sustainable Farming Scheme (SFS/Scheme) to support a sustainable, productive agricultural industry in Wales has not changed. Our future farm support will deliver multiple outcomes for all of Wales, and we will ensure that farmers are kept at its heart.

The SFS will serve as the primary source of government support for farmers in Wales. The Scheme will reward farmers for actions that align with the Sustainable Land Management (SLM) Objectives set out in The Agriculture (Wales) Act 2023 ('the Agriculture Act').

Those are:

- To produce food in a sustainable manner
- To mitigate and adapt to climate change
- To maintain and enhance the resilience of ecosystems and the benefits they provide
- To conserve and enhance the countryside and cultural resources and promote public access to and engagement with them, and to sustain the Welsh language and promote and facilitate its use.

2. Background

Our principle of keeping farmers farming, ensuring land continues to be managed by those who know it best, has remained largely unchanged throughout our development process. We have had significant engagement with farmers, environmental bodies, and other stakeholders to design future farming support and we are committed to continuing to work with farmers and key stakeholders to finalise the scheme.

Over 12,000 responses were received to the consultation which closed in March 2024, and its analysis and Government Response was **published 11 July**. Whilst the framework and principles of the scheme were generally accepted by many, the primary concerns raised were in relation to perceptions of an overly administrative scheme and the Scheme Rule of 10% tree cover being a barrier to entry.

These concerns, as well as others raised during the process, have been considered and addressed during an intensive period of stakeholder engagement during summer 2024, further detail of which is included below.

3. Scheme development

To respond to the concerns raised during the consultation, we took the decision to introduce the SFS in 2026 - following a Preparatory Phase in 2025 - as part of the ongoing listening and partnership working with the industry to resolve challenges and ensure farmers felt confident in the scheme. Further detail of the announcement made on 14 May 2024 can be found [here](#).

Throughout summer and autumn 2024, we undertook an intensive period of scheme development with the Ministerial Roundtable and its subgroups. The purpose of the Roundtable was to further develop the partnership approach needed to finalise the design and implementation of the Scheme, building on previous phases of co-design and engagement. Whilst final decisions will always be taken by Welsh Ministers, the Roundtable will continue to have an important role to play in shaping the Scheme. Membership details can be found at Annex A.

We have worked closely with the farming unions, environmental bodies and other important stakeholders to make changes to the proposed Scheme and will continue to listen to stakeholder views to shape the SFS, so that it provides the necessary support for a vibrant and progressive agricultural industry in Wales. This includes the work of the Carbon Sequestration Evidence Panel who were commissioned to consider any further and alternative proposals to achieve additional carbon sequestration within the Universal Actions of the Scheme. Their summary [report](#) was published on 25 November 2024.

In line with original aspirations, the SFS is being designed to support farmers to produce food sustainably, to mitigate and adapt to climate change, and maintain and enhance nature on their farm.

We listened to the feedback, and stakeholder discussions, and based on this have changed several key areas to ensure the Scheme is accessible and practical, providing an opportunity for support to all farms in Wales. Some examples of the changes made include:

- Removing the Scheme Rule to have 10% tree cover on each farm. We have replaced this with a revised Universal Action for a tree planting and hedgerow creation opportunity plan. We will support tree planting and hedgerow creation through Optional Actions and will encourage planting of trees and hedgerows to meet a scheme-wide target.
- Merging the three Animal Health, Welfare and Biosecurity actions into a single simplified Action to focus discussions with the farm vet on improved animal health and welfare outcomes.
- We will make [payments in the Universal Layer on Sites of Special Scientific Interest \(SSSI\)](#), to reflect the role of farmers in managing these important sites.
- Including grazing rights on common land within the Universal Baseline Payment.

- **We have reduced the overall number of Universal Actions from 17 to 12.**

4. Scheme Outline

The Welsh Government published the [Sustainable Farming Scheme: proposed scheme outline \(2024\)](#) on 25 November which is being used to carry out an economic analysis and impact assessment. This will include an assessment of the proposals against the four Sustainable Land Management objectives and the impact, for example on farm business income for a range of different farm types and sizes so that we can understand what the Scheme will mean for farmers and wider society.

The positive response from stakeholders - as included within the [press notice](#) - on the Scheme Outline demonstrates the considerable work which has taken place over summer 2024 to get us all to this positive place outcome..

The Scheme will support all farmers in Wales through a Universal Payment, based on the completion of a set of Universal Actions. These Actions will be familiar to farmers in Wales, whether beef, dairy, arable, upland, lowland, extensive or intensive. They are actions many of them already take on a day-to-day basis. Some actions will not apply to every farm – for example, Universal Action 15, Animal health and welfare would not apply to arable only farms.

For ease of understanding, the Universal Actions are numbered as set out in the consultation, with 12 Universal Actions rather than 17. These are set out below. The following have been removed as individual Universal Actions but remain part of the Scheme framework:

UA4: Multispecies cover crop

UA6: Managing heavily modified peatland

UA10: Ponds and scrapes

UA16: Good animal welfare (merged with Universal Action 15)

UA17: Good farm biosecurity (merged with Universal Action 15)

Table 1: Title and description for each Universal Action

Universal Action	Description
UA1: Benchmarking	Complete an annual measuring and monitoring assessment to optimise business and environmental performance

UA2: Continuous Personal Development	Build on your existing skills and knowledge with ongoing learning on a range of subjects.
UA3: Soil Health Planning	Building healthy soils through testing to help soil health planning.
UA5: Integrated Pest Management	Complete an annual assessment of Plant Protection Products used and alternative methods employed to reduce chemical usage.
UA7: Habitat Maintenance	Maintain the semi-natural habitats on your farm to benefit grazing livestock and wildlife.
UA8: Create temporary habitat on improved land	To increase the benefits for nature through connected and diverse habitats.
UA9: Designated Site Management Plans	Support enhancement of designated sites, including Sites of Special Scientific Interest by working with Natural Resources Wales to have a Management Plan with an agreed Schedule of Works in place.
UA11: Hedgerow Management	Increase the size and density of regularly trimmed hedgerows to benefit livestock, carbon storage, biodiversity and landscape.
UA12: Woodland Maintenance	Maintain existing woodlands to increase the benefits for livestock, nature and business diversification.
UA13: Tree Planting and Hedgerow Creation Opportunity Plan	Develop a plan which identifies the opportunities for planting additional trees and creating new hedgerows across your farm to deliver multiple benefits.
UA14: Historic environment	Conserve and enhance the countryside and cultural resources.
UA15: Animal Health and Welfare	Support practical, farm-specific improvements in livestock health and welfare to improve productivity.

Optional and Collaborative Actions

There will be additional support for farmers through the Optional and Collaborative Layers of the Scheme which build on the foundation provided by the Universal Layer. This support will be a combination of capital and revenue grants, alongside effective advice, guidance and knowledge transfer.

There will be flexibility for the farmer to choose the Actions which work best for them. We will work with stakeholders to prioritise which will be made available at the start of the Scheme in 2026, with more being introduced in phases over the Transition Period between 2026 to 2030.

The range of Optional Actions available will include, for example, actions on productivity, sustainable farm practice, habitat restoration and continued small grants support.

The Collaborative Layer of the scheme will support farmers to work together with other farmers and organisations on joint projects to optimise the potential for delivering economic, environmental or social benefits. Some examples may include sharing knowledge and innovation with other farmers, or academia, or working together to improve and enhance local supply chain opportunities.

Graziers participating in a Common's Agreement will have access to Collaborative funding as a consequence of their positive action through combined grazing – as well as other opportunities for wider improvement activities (such as access).

The Integrated Natural Resources Scheme (INRS) will be used to help inform the Collaborative Actions, such as creating interconnected habitats across landscapes in a co-ordinated way to maximise environmental outcomes.

Eligibility

To be eligible for the Universal scheme, farmers must meet the three criteria below:

- Undertake agricultural or ancillary activities on agriculture land.
- Have at least three hectares of eligible agricultural land in Wales or be able to demonstrate more than 550 standard labour hours
- Have exclusive occupation and management control of the land for at least 10 months of the calendar year.

They will also be expected to complete the Universal Actions within the Scheme year or relevant period.

New / young entrants

The Welsh Government is committed to enabling new and young entrants to enter the Scheme. Payments will not be based on entitlements, quotas or historical reference periods, to allow new and young entrants the opportunity to join the Scheme on the same terms as all other farmers.

The challenges for new and young entrants sit outside of the scope of the Scheme itself (for example limited access to land and finance) but we will continue to work with the Roundtable and Official's Groups, which includes the Federation of Young Farmers Clubs, to explore opportunities for addressing these wider issues.

Tenants

The scheme has been changed fundamentally to accommodate short- and long-term tenancy arrangements in Wales, as they are important to the farming fabric of Wales. We will continue to

work with the Tenant Farmers Association to consider tenant farmers as we finalise the Scheme detail.

Payment rates

The Universal Baseline Payment is intended to provide a level of certainty and stability for farmers with them knowing their anticipated level of income per year. There will be the opportunity for this to be enhanced with payments for Optional and Collaborative Actions, supporting farmers to undertake more ambition and complex actions and reward those already undertaking them.

We know that farmers will need the final scheme detail and payment rates before they can decide whether it is right for them and their business to enter the Scheme. Economic and other analysis is currently underway, using the Scheme Outline scheme published in November 2024. Although we are unable to provide definite figures until this work has commenced, we can provide certainty that payments will go beyond costs incurred and income forgone with the inclusion of a social value to represent the wider benefits to society which result from the sustainable production of food. We have also committed to include areas of SSSI's within the Universal Baseline Payment and to take account of commons grazing rights.

5. Next Steps

The SFS will serve as the primary source of government support for farming in Wales in the future. Through listening and partnership working we, along with the stakeholders working with us, believe these changes make it easier for farmers to access the Scheme, while still meeting our commitments to sustainable food production, nature, the environment and climate change.

The 2025 preparatory phase will provide additional investment for the agriculture and horticulture sectors through a number of schemes, including, the Habitat Wales Scheme and an extension to Farming Connect to 2026, continuing the knowledge transfer and innovation support on farms. The small grants schemes will continue to support infrastructure changes during and following this period.

Working with Farming Connect we will continue to promote the benefits and opportunities of tree cover and woodland on farms and work on knowledge transfer, focusing on farm activity which supports efficiencies and aligns to the outcomes and actions being developed for the SFS.

We will continue to work with the Officials Group and Ministerial Roundtable to ensure the Scheme truly works for farmers and helps support meeting our nature and climate objectives. It is important to highlight that the outline scheme published is not the final Scheme and Welsh Ministers have not made any final decisions on it. The economic analysis and impact assessment will be provided alongside the final scheme detail to enable Welsh Ministers to make an informed decision on whether the scheme is appropriate for farmers in Wales.

The final Scheme will be published in Summer 2025, ahead of the Scheme year starting on 1 January 2026.

We deeply appreciate the dedication and hard work shown by everyone involved so far. The significance of this collaboration, and its effect on the resilience of our farming industry and the wellbeing of our farmers, is fully recognised.

6. Annex

Annex A - Membership of Ministerial Roundtable and subgroups groups

Partner	Roundtable	Carbon Panel	Officials Group
Afonydd Cymru			✓
Agriculture and Horticulture Development Board	✓		✓
Animal Health and Welfare Framework Group	✓		✓
Central Association for Agricultural Valuers			✓
British Meat Processors Association	✓		
British Veterinary Association	✓		
Coed Cadw *	✓		✓
Country Land and Business Association	✓	✓	✓
Confor	✓	✓	✓
DPJ Foundation	✓		
Dŵr Cymru Welsh Water			✓
Farmers Union of Wales	✓	✓	✓
Farming and Wildlife Advisory Group			✓
Game & Wildlife Conservation Trust			✓
Hybu Cig Cymru	✓	✓	✓
Independent farmer representative	✓	✓	
Independent veterinary representative			✓
National Farmers Union Cymru	✓	✓	✓
National Sheep Association			✓
National Trust			✓
Nature Friendly Farming Network	✓	✓	✓
Royal Society for the Protection of Birds			✓
Soil Association *	✓	✓	✓
Sustainable Food Trust			✓

Tirweddau Cymru Landscapes Wales			✓
Tenant Farmer Association	✓		✓
Wales Environment Link			✓
Welsh Lamb and Beef Producers	✓		✓
Welsh Language Commissioner			✓
Welsh Local Government Association			✓
Wildlife Trusts Wales *	✓		✓
World Wild Fund for Nature			✓
Wales Federation of Young Farmers Clubs	✓		✓
Wales Horticulture Alliance Group			✓

* Also representing Wales Environment Link (WEL).

Agenda Item 6

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Agenda Item 7

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Agenda Item 9

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Agenda Item 10

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