



Llywodraeth Cymru
Welsh Government

Rob Donovan
Committee Clerk
Economy, Infrastructure and Skills Committee

7 June 2021

Dear Rob,

Please find attached our response to the Committee's report on The Long Term Recovery of COVID-19.

We are grateful to the Committee for its report and hard work over the past 5 years, particularly during the COVID-19 pandemic, in what has been a challenging time for us all.

Please find attached the Welsh Government's response.

Yours sincerely,

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Lee Waters AS/MS
Dirprwy Weinidog Newid Hinsawdd
Deputy Minister for Climate Change

Recommendation 1

The Committee recommends that:

The Welsh Government must take advantage of the upswing in entrepreneurial activity and encourage business start-ups as a way to drive the economic recovery. In order to do take maximum advantage of the positive momentum. It should review the support available, and look at examples of best practice across the UK and internationally

Response: Accept

Subject to the preferences of a new Government, a review is planned on business support provision.

Financial Implications – provision is currently partly ERDF funding therefore securing funding to deliver the services after EU funding ceases is required.

The Business Wales Service is matched by ERDF funding so £10m is EU funding we will therefore need to consider how we reprioritise resources in 2022 to continue a service that we have at the same level or above.

Recommendation 2

The Committee recommends that

The Welsh Government should examine how academia can best support small business leadership to contribute to Welsh economic recovery by developing their potential for future growth and supporting productivity, and what further measures can be taken to support this. One example of this that it should consider in developing its approach is the Small Business Leadership Programme.

Response: Accept

Subject to the preferences of a new Government, a review is planned on business support provision.

Financial Implications - No financial implications to examine what provision is required.

Financial implications if recommended actions is to introduce new provision.

We are currently working on the future operating model which is implemented would require additional funding to deliver. Any additional costs would need to be

prioritised from within the relevant resources available to us in the relevant financial years.

Recommendation 3

The Committee recommends that

As it is likely economic turbulence will lead to more regular economic shocks the Welsh Government must focus on building economically resilient communities. This should include a focus on adaptability to key foreseeable future shocks like climate change

Response: Accept

The Economic Resilience and Reconstruction Mission, published 23 February, acknowledges the importance of building resilience into the economy. Supporting adaptation to mitigate the impacts and realise the opportunities of future shocks one of the five beacon areas of focus.

Financial Implications - No additional financial implications.

Recommendation 4

The Committee recommends that

The Welsh Government should ensure Business Wales and the Development Bank of Wales (DBW) are given sufficient resources to continue their key roles in the recovery and reconstruction efforts

Response: Accept

Ministers have agreed a loan of £270m capital to DBW in Q4 of 2020-21 to underpin business lending and equity investments via the Wales Flexible Investment Fund through the recovery and to 2030.

Another £200m in additional support for business has already been earmarked in the Final Budget 2021-22 – final decisions on this will be for the next Government.

Financial Implications - Cost of £270m met from BEL 3758 Business Finance Funds in FY2020-21. This type of loan under accounting standards (IFRS 9) must be assessed for potential impairment 'Expected Credit Loss' (ECL) annually.

Recommendation 5

The Committee recommends that

The Welsh Government must factor in monitoring and evaluation from the start of all recovery investment or new project. To do this they should build on the approach used in the Economic Intelligence Wales (EIW) report on its Covid-19 interventions and undertake detailed monitoring and evaluation from the start of new projects and investments to support recovery. This should include published aims, objectives and targets of investments, and publication of data disaggregated by regions, sectors and equality characteristics where appropriate.

Response: Accept in Principle

The Welsh Government will continue to embed monitoring and evaluation on new project and investment to support recovery. The approach in each instance will be determined from advice and discussion with the Welsh Government analysts, as was the approach to the EIW evaluation of the ERF funds.

Financial Implications - Financial implication to ensure that funds for each of any new activities will include sufficient monies for evaluation and sufficient analytical staff are in place to design and manage evaluation activity

Recommendation 6

The Committee recommends that

The Welsh Government should work with the Office for National Statistics and Welsh universities to build on the work undertaken during the pandemic to improve the timeliness and breadth of economic data collection for Wales

Response: Accept

Welsh Government analysts will continue to maintain regular discussions with ONS to ensure that developments with economic data (including the new Business Insights and Conditions Survey and Faster Indicators) continue to monitor the effects of the pandemic and economic recovery in Wales. Officials are also engaged on an ongoing basis with Economic Intelligence Wales (EIW). EIW collates and analyses data to create independent, robust and reliable insight to help better understand the Welsh economy. EIW is a collaboration between the Development Bank of Wales, Cardiff Business School and the Office for National Statistics (ONS).

Financial Implications - None

Recommendation 7

The Committee recommends that

The next Programme for Government must have skills at its heart, recognising its link to productivity and prosperity, in order to drive the recovery.

Response: Accept in Principle

Currently, the Economic Resilience and Reconstruction Mission, published on 23 March 2021, sets out skills and employment as one of five beacons for delivering the medium and longer term economic recovery.

Financial Implications - None

Recommendation 8

The Committee recommends that

The Welsh Government must map out Wales' skills provision at a systems level to develop a truly integrated and joined up approach to skills in Wales. This joined up, system approach must also create a formal, easy to understand and transparent system for industry, awarding bodies and providers to approach one another and work together to develop and refresh skills qualifications. It should also address:

- ***How the different economic regions, and regional investments like city deals, link together for skills provision;***
- ***How reconstruction funding will support skills development and vice versa.***

Response: Accept

The Welsh Government has supported a strategic, regional approach to skills, through Regional Skills Partnerships (RSPs) to provide a strategic, partnership-led regional view of skills. The RSPs identify skills priorities based upon labour market intelligence, informed by employer need and their three year strategic plans work closely with City Region and Growth Deal structures to identify skills needs.

Financial Implications - None

Recommendation 9

The Committee recommends that

Welsh Government should support Regional Skills Partnerships (RSPs) to revisit their skills plans in light of the pandemic and invest in a labour market intelligence tool to ensure the partnerships are better able to undertake their Welsh Government funded task. Welsh Government should also set out a clear role for Regional Skills Partnerships in the joined up approach outlined under Recommendation 8

Response: Accept

In 2019, the Economy Infrastructure and Skills Committee published its report following its inquiry into RSPs. The Welsh Government published its response to the recommendations and actions in December 2019 and committed to setting a new strategic direction and remit going forward. Welsh Government has agreed a refocused role for 2020-21 to reflect the changing economic landscape and prioritised work around the response to the pandemic and the impact on skills and the labour market. The Minister for Economy, Transport and North Wales has also agreed that Welsh Government should begin a procurement exercise for Analysis Tools to aid planning of provision in financial year 2021-22

Financial Implications - None

Recommendation 10

The Committee recommends that

The Welsh Government must support small businesses to invest in innovation in order to catch up to where they would have been if there had been no pandemic

Response: Accept

Financial Implications – The Welsh Government's main source of funding to support small businesses to invest in innovation is our SMART suite of programmes. These are EU funded 2015-20+ 3 years = £68m. As the Committee will be aware, sourcing replacement funding is challenging and options are being explored.

Recommendation 11

The Committee recommends that

Considering the fundamental importance of research and innovation to Welsh prosperity, the Welsh Government should provide the funding to fully implement the remaining recommendations of the Reid and Diamond Reviews, including creating the Future of Wales and St David's Funds, in full, as a matter of urgency

Response: Accept in Principle

We commissioned an OECD report that underlines the link between investment in R&D, economic performance and well-being inequalities. This informed our Regional Investment Framework, which “recognises the transformational impact of research and development and innovation”.

The UK Government has not invested in our framework and its full plans for the Shared Prosperity Fund remain unknown. The UK Government’s community renewal and levelling-up funds do not address R&I to our satisfaction and bypass devolved government at a time when experts are calling for more devolution in order to level-up (Blavatnik Seminar November 2020).

We continue to fund universities and businesses with European funding until 2023. This includes projects that have targets to bring in competitive funding, in the spirit of the Future of Wales Fund. In recognition of the need to soften the UK’s cliff-edge, WEFO has moved funding into R&I whenever possible.

HEFCW is working with Universities Wales on a further coordination initiative to aid capture of competitive funding.

Financial Implications - Yes – to be confirmed – subject to ongoing considerations and discussions with the UK Government

Recommendation 12

The Committee recommends that

The Welsh Government must invest in an ambitious and transformational green recovery, prioritising investment in green infrastructure, natural infrastructure and decarbonising the Welsh economy. Given the Welsh Government's declaration of a climate emergency, it should set out cross-cutting plans of sufficient scale to meet this challenge

Response: Accept

For the recovery from the Coronavirus pandemic to be green, it must address the overarching environmental challenges of:

- **the Climate Emergency:** by decarbonising and increasing resilience to the impacts of climate change;
- **the decline in biodiversity:** by reversing the decline in Wales and reducing our impact on biodiversity outside of Wales; and,
- **Unsustainable production and consumption:** by improving resource efficiency, sustainably using natural resources and moving to a more circular economy.

Significant action has already been set out to prioritise investment in these areas, including green and natural infrastructure and to decarbonise the Welsh economy. This includes action being taken across Government, with key investments made to support and promote active travel, NHS decarbonisation and energy efficiency in schools and homes.

In 2021/22, we will also invest a further £12m to bring renewable energy and public sector energy efficiency projects to fruition. This investment will be supported by the Welsh Government Energy Service and will be a combination of grants, low interest loans, energy pilot activities and in depth Local Area Energy Planning, which will identify a pathway for decarbonising the energy system at a local level for local benefit.

In 2021/22 we are investing over £30m in our natural infrastructure including the National Forest, peatlands, protected sites networks, National Parks and Areas of Outstanding Natural Beauty.

In addition, to tackle unsustainable production and consumption the Welsh Government recently published *Beyond Recycling*, the circular economy strategy to keep resources in use and avoid waste.

Financial Implications - In 2021/22, we will also invest a further £12m to bring renewable energy and public sector energy efficiency projects to fruition.

In 2021/22 we are investing over £30m in our natural infrastructure including the National Forest, peatlands, protected sites networks, National Parks and Areas of Outstanding Natural Beauty

Recommendation 13

The Committee recommends that

The Welsh Government should prioritise accelerating ‘shovel-ready’ green infrastructure projects to boost job creation at the start of the recovery

Response: Accept

A significant amount of funding has been allocated to green infrastructure projects as part of the work to support a green recovery from the coronavirus pandemic.

As set out in *Beyond Recycling*, there is a critical link between the circular economy and our ability to improve resilience whilst delivering improved environmental, economic and social outcomes. The Welsh Government has already supported 180 innovative projects in every part of Wales through the Circular Economy Fund, bringing communities together, protecting and creating jobs and improving the environment. In the next financial year, further support has been made available, meaning over £80m will have been made available to businesses, social enterprises and public bodies in Wales to support the transition to a circular economy.

Last year, the Minister for Environment, Energy and Rural Affairs invited Sir David Henshaw, Chair of Natural Resources Wales, to lead a Green Recovery Task and Finish Group. One of their objectives was to identify priorities for action for the Welsh Government’s Recovery Plan from Covid-19. The Group held a call for proposals during the summer of 2020, publishing the *Green Recovery: Priorities for Action Report* on the 3rd December 2020. The Welsh Government worked with NRW to identify proposals in the *Priorities for Action* report which could be accelerated this year. The Welsh Government has committed £1.1m to finance a package of projects to support biodiversity with a further £4.3m committed to the Welsh Local Government Association for onward distribution to Local Authorities for projects that delivered against the *Priorities for Action* report’s five priorities.

In addition, the Welsh Government’s long standing Natural Resources Policy, includes the commitment to ensure investment in infrastructure projects maximise wider benefits such as the creation of local jobs, training opportunities and support the move to a low carbon, resource efficient economy.

Financial Implications – As above

Recommendation 14

The Committee recommends that

The Welsh Government should prioritise using skills funding to support green jobs, and take robust action to analyse and address the disparities between current and future needs and existing skills provision

Response: Accept in Principle

The Welsh Government has supported RSPs to continue in their role to identify skills priorities based upon labour market intelligence, informed by employer need, and will continue to provide intelligence to Welsh Government on all skills areas, including skills to support green jobs. In “Beyond Recycling”, our strategy is to make the circular economy in Wales a reality, we state we will need to:

- “Invest in green skills such as eco-design, re-use, repair, remanufacture and reprocessing to support the development of Wales’ workforce. Work with relevant professional bodies to secure their accreditation of circular economy related training and qualifications offered by training providers in Wales, especially our universities and colleges. Seek to address any gaps in circular economy training, skills development and qualifications. Aligning apprenticeships with the needs of the Welsh economy is at the centre of our skills policy, and we will continue to look at the role apprenticeships have in closing any of those gaps. In doing so, we recognise that safety is a key consideration, especially for the re-use and repair of electronic equipment.”
- “Support the development of green skills in our workforce, including in the digital economy, resource efficiency, circular economy business models, forestry and timber, repair, remanufacture and in the use of composite materials.”
- “Work to provide support for educational and skills development that embed core circular skills such as resource efficiency and design at all levels including schools, training, qualifications and apprenticeships.”

In the Economic Resilience and Reconstruction Mission, published on 23 March 2021, recognises the key role of employability and skills in underpinning Wales’ decarbonisation ambitions.

Financial Implications - None

Recommendation 15

The Committee recommends that

As part of any investment in infrastructure the Welsh Government should consider if this infrastructure could be “green” – using an environmental solution to the issue the infrastructure is addressing

Response: Accept

In December 2020, the Minister for Finance and Trefnydd set out the work which is currently being undertaken in respect of the Welsh Government’s longer-term planning, through the development of a successor to the Wales Infrastructure Investment Plan (WIIP).

The new strategy will be built around the four well-being principles, with a commitment that at its heart will be our response to the climate emergency, including our commitment to Net Zero and tackling the decline in biodiversity.

This recommendation also links to key elements of the existing primary legislative framework, including section 6 of the Environment (Wales) Act 2016, which requires public authorities to maintain and enhance biodiversity and the resilience of ecosystems in the exercise of their functions. It is also consistent with the Welsh Government’s Natural Resources Policy, which commits to looking to natural or “green” infrastructure solutions to reduce climate risk and provide wider ecosystem services whilst safeguarding biological diversity and ecosystem health.

Financial Implications - None

Recommendation 16

The Committee recommends that

The Welsh Government should support payment of the Real Living Wage though any recovery funding it issues, and should support a campaign to increase payment of the Real Living Wage.

Response: Accept

We encourage every employer who can afford to pay the Real Living Wage to do so. Payment of the Real Living Wage is the best way of ensuring workers are able to meet their costs of living and there is benefit to employers from improved staff motivation, retention and corporate reputation.

However, we recognise the challenges of affordability for some employers – and where possible we would like to see them work towards paying the real living wage. The work that Cynnal Cymru do as the accreditation body for the Real Living Wage in Wales to promote understanding and take-up of the Real Living Wage is hugely valuable.

We have made an offer of financial support to Cynnal Cymru to assist them in this work and in particular to support the creation of a dedicated website to act as a hub for their work to promote Real Living Wage accreditation.

Financial Implications - None

Recommendation 17

The Committee recommends that

Before the end of this Senedd, the Welsh Government should outline publicly what progress has been made in implementing the recommendations in the Fair Work Commission's report

Response: Accept

The Deputy Minister for Housing and Local Government delivered an Oral Statement on 9 February 2021 which provided Senedd Members with an update on progress in delivering a fair work Wales <https://record.assembly.wales/Plenary/11178#A64457> .

We are also currently consulting on our Social Partnership and Public Procurement Bill which amongst other things seeks to place a duty upon Welsh Ministers to set fair work objectives, take actions to meet those objectives and to report annually on progress

Financial Implications - None

Recommendation 18

The Committee recommends that

The next Welsh Government should give an initial indication of how it will address fair work issues that have come to the fore during the course of the pandemic.

Response: Accept

The Oral Statement delivered by the Deputy Minister for Housing and Local Government on 9 February 2021 highlighted how the impact of coronavirus has exacerbated existing inequalities in workplaces and given even greater prominence to specific issues including working conditions in social care, ensuring workplaces are coronavirus secure and preventing an erosion of statutory workers' rights.

These issues have provided an increased focus to our work and an operational imperative to prioritise particular aspects of the agenda set out in the Fair Work Wales report. That is why we moved quickly to establish the Social Care Fair Work Forum, the national Health and Safety Forum and deliver our work alongside

employers and trade unions to raise awareness of workers rights' and avenues of support.

Financial Implications - None

Recommendation 19

The Committee recommends that

The Welsh Government should work with business representative organisations to promote fair work amongst businesses, as something that can work alongside growing their business. As part of this campaign, it should implement the Fair Work Commission's recommendation to enlist employers to "increase the visibility and desirability of fair work"

Response: Accept

We have already partnered with Wales CBI, FSB Wales, the Wales TUC and others to deliver the workers rights' and responsibilities campaign.

This campaign has seen the establishment of a central webpage with sources of information to assist workers and employers along with promotional activity from Welsh Government, the main employer representative bodies and the trade unions.

We are determined to use our social partnership approach to deliver more of this. To seize the opportunity to create the sense of a national movement for fair work with employers and trade unions at the forefront.

The challenges of the past year has inevitably stretched the capacity of social partners – and placed a focus on the urgent and immediate issues of the pandemic. But as we collectively focus on recovery we are absolutely committed to working with employers, trade unions and others to promote, advocate and champion the mutual benefits of fair work for employers and workers and to diffuse best practice.

Financial Implications - None

Recommendation 20

The Committee recommends that

The Welsh Government should provide the Committee with a copy of an example economic contract to aid scrutiny of it, this could either be a blank or redacted version to ensure that no business can be identified from the information provided.

Response: Accept

A blank copy of the refreshed contract can be provided to the Committee when it is introduced in May

Financial Implications - None

Recommendation 21

The Committee recommends that

The Welsh Government should ensure that the refresh of the economic contract is used to strengthen and expand its reach, including the introduction of equality considerations.

Response: Accept

The refreshed contract will use the Fair Work Commission's definition of Fair Work, which has equality at the heart of each of its characteristics. The purpose of the refresh was to strengthen and expand the reach

Financial Implications - None

Recommendation 22

The Committee recommends that

The Welsh Government should work with social partners and sectoral groups to develop a formal mechanism for monitoring compliance with the economic contract and the outcomes it delivers

Response: Accept in Principle

The Economic Contract is not a compliance tool. However we are working with social partners to introduce mechanisms to review sample contracts and to develop clear standard indicators. Relationship Managers will be responsible for monitoring individual contracts in line with agreed standards.

Financial Implications - None

Recommendation 23

The Committee recommends that

The Welsh Government must continue to learn lessons from uptake of previous rounds of business support and look again at people not helped by previous rounds, addressing the barriers to accessing support

Response: Accept in Principle

Officials continue to review the support provided to businesses in response to Covid-19 and where there is a recognised gap over and above the UK Government and Welsh Government offer it will be considered.

Financial Implications - Financial implications if identified gap in provision and that the Welsh Government advises to support.

Recommendation 24

The Committee recommends that

The Welsh Government must prioritise ongoing sector-specific support for hard hit sectors such as non-essential retail, hair and beauty, tourism and hospitality, arts and culture. It should set out its proposals for doing this in 2021-22, making clear where additional funding from the UK Government will be needed

Response: Accept

Policy development and advice relating to Covid support to businesses will continue to focus on the sectors hit by the restrictions introduced by the Government.

Financial Implications - £200m business support ring-fenced for 2021/22 however anything over and above would have financial implications

Recommendation 25

The Committee recommends that

The Welsh Government should, as a matter of urgency, set out the financial support available for organisations and individuals working in the arts and creative industries after March 2021

Response: Accept

Financial Implications - We have launched a second round of culture recovery fund. The fund will provide up to £30m to continue support Wales' diverse culture sector through the ongoing pandemic has been announced by the Welsh

Government. The eligibility checker went live at 12 noon on Wednesday 24th March with the application process starting on April 6th and finishing on April 20th.

Recommendation 26

The Committee recommends that

Welsh Government should work with the tourism and hospitality sectors on a destination management strategy, including the development of campaigns to attract people to Wales for the 2021 season in a sustainable way for businesses and communities

Response: Accept

A new recovery plan for the tourism, hospitality and events sector was published on 22 March. *Let's Shape the Future: working in partnership to reconstruct a resilient future for the visitor economy in Wales:*

https://gov.wales/sites/default/files/publications/2021-03/lets-shape-the-future_0.pdf

Developed in consultation with the Tourism Taskforce and informed by wide-ranging conversation with other important groups, stakeholders and businesses across the sector, the plan includes a shared partnership framework of essential themes around which interventions will be built to support businesses through short to medium-term recovery. The 8 essential themes include:

1. Supporting business.
2. Valuing people.
3. Reopening safely.
4. Rebuilding consumer confidence.
5. Stimulating and managing demand.
6. Developing local visitor economies.
7. Transforming the sector to be more resilient.
8. Developing tailored recovery plans.

Given the uncertain path to recovery for the industry, the intention is for this plan to evolve, providing an important bridge back to the Strategic Plan for the sector "*Welcome to Wales: Priorities for the Visitor Economy 2020-2025*".

The plan recommends a Task & Finish Group is formed to drive forward a more tactical action plan including more detail behind the interventions and agreed delivery leads. Further consideration will be given towards how this group will be formed and the associated Terms of Reference.

Financial Implications - Financial Implications: Costs will be managed within BEL 6250 Tourism and Marketing

Recommendation 27

The Committee recommends that

Welsh Government should continue to focus effort on maximising the opportunities presented by research and development in the aerospace and steel sectors, communicating the detail of its approach in its recovery mission and plans.

Response: Accept

We will continue to support our key industrial sectors such as Aerospace and Steel and our new Manufacturing Action Plan contains a number of actions to future proof manufacturing in Wales, taking a whole Government approach.

We will continue to work with the established Welsh manufacturing base to ensure, as they adapt to decarbonisation targets and aspirations that they remain as competitive as possible on the global stage.

We will continue to provide support for the trade programme for overseas events including those for aerospace.

We will continue our work with the UK Government's MOD for the development of an Advanced Technical Research Centre in North Wales

We will continue to support industry body Aerospace Wales to highlight opportunities for future growth and for R&D.

We will continue to support the steel sector and academic institutions to increase the level of support for steel R&D in Wales. There are a number of initiatives in place including the Steel and Metals Institute (SaMI), SUSTAIN and the FLEXIS.

Financial Implications - None

Recommendation 28

The Committee recommends that

Welsh Government should set out an update on its ongoing work to increase economic benefits to Wales from public procurement, both at a local level in the foundational economy, and winning a fair share for Welsh businesses in large UK infrastructure investments

Response: Accept

This will form part of the Foundational Economy progressive procurement programme.

Separately, we will explore with the UK Government to establish if it is possible to identify the proportion of large UK infrastructure investments won by Welsh businesses

Financial Implications - Within current budgeted programme activity.

Recommendation 29

The Committee recommends that

The Committee welcomes the Welsh Government commitment to ensure no one is left behind by the Recovery. This commitment must be maintained by future Governments.

Response: Accept in Principle

The Economic Resilience and Reconstruction Mission sets out this as a priority for this Government. We cannot respond on behalf of a future administration.

Financial Implications - None

Recommendation 30

The Committee recommends that

The Welsh Government should set out how it is mainstreaming equality into its recovery policies and investments from the start of the process, and make this information publicly available.

Response: Accept

The Economic Resilience and Reconstruction Mission has set a course for a well-being economy which is prosperous, green and equal. Action to address inequalities in opportunity and outcome due to race, gender or other protected characteristic is critical to the delivery of a well-being economy.

For Transport, this forms part of Llwybyr Newydd and resulting equality pathway which will flow from the longer term strategy.

Financial Implications – None

Recommendation 31

The Committee recommends that

The Welsh Government must ensure representation and diversity on bodies making recovery- related decisions

Response:

Work is progressing to implement the Diversity and Inclusion Strategy for Public Appointments in Wales. The main aim of the strategy is to increase the diversity of appointees to the boards of regulated public bodies in Wales.

In order to help achieve this aim, the Welsh Government has recruited 13 Senior Independent Panel Members from a range of backgrounds to sit on public appointment recruitment panels. The hope is that more diverse panels will lead to more diverse appointments being made.

In addition, we are currently developing a specification to procure a suite of diversity and inclusion training and development. This will include a 'Near Ready Leadership Programme' for disabled and Black, Asian, Minority Ethnic individuals with some leadership experience, who are interested in obtaining a public appointment. It will also include training on Fair Recruitment practices and general Diversity & Inclusion Training for all Board members of regulated public bodies in Wales.

Once the new Government has been formed, we will work with external partners to develop a mentoring and shadowing scheme for people from under-represented groups with Board members of public bodies.

We will also work to ensure Chairs and Board members of public bodies have a diversity and inclusion objective as part of their performance management system.

All these actions should contribute to increasing the diversity of board members on regulated public bodies in Wales.

Financial Implications – No additional implications

Recommendation 32

The Committee recommends that

In evaluating its recovery support, the Welsh Government should continue to ensure that data on business support broken down by gender and ethnicity is

published and evaluated, as with the Economic Intelligence Wales report on its Covid-19 interventions. It should also expand on this work by publishing data on support provided to businesses broken down by further groups with protected characteristics

Response: Accept in Principle

We will explore all options available.

Financial Implications - None

Recommendation 33

The Committee recommends that

The Welsh Government should work in partnership to develop specific communications campaigns to engage with people from Black, Asian and Minority Ethnic communities on COVID support and recovery programmes

Response: Accept

The Welsh Government remains committed to engaging with people of all communities – especially those disproportionately disadvantaged by impacts of COVID 19. We will continue to work towards engaging all groups to fully involve them in the continued support program during and after the pandemic.

Financial Implications – None as these would be met by the normal budgetary allocations

Recommendation 34

The Committee recommends that

A Black, Asian and Minority Ethnic advisory group, along the lines of the group established by the First Minister to respond to COVID-19, should work closely with the Welsh Government on long term economic, skills and transport recovery

Response: Accept

The Economic Resilience and Reconstruction Mission explains we will work with ethnic minority communities to address employment issues related to both the disproportionate impact of the pandemic alongside the inherent disadvantage caused by structural and systemic racism.

The Race Equality Action Plan for Wales, out for consultation until 17 June, notes the goal of improving engagement with the ethnic minority community, particularly for entrepreneurs

We will review our marketing and engagement activities to extend our reach to Black, Asian and Minority Ethnic groups and individuals and that Black, Asian and Minority Ethnic entrepreneurs are well reflected in our publicity.

In relation to Transport, there will a transport accessibility panel developed by TfW on behalf of the WG which will expand the current group to include all those who share protected characteristics.

Financial Implications – None

Recommendation 35

The Committee recommends that

The Black, Asian and Minority Ethnic advisory group's recommendation to establish a Race Disparity Unit within Welsh Government should be met as a priority

Response: Accept

The Welsh Government has accepted the recommendation from the Black Asian and Minority Ethnic Covid-19 Sub-group's Socio Economic report to scope the feasibility of establishing a Race Disparity Unit.

Research is underway to scope and explore the stakeholder needs for distinct a Race inequalities evidence Unit, an Equalities evidence Unit and a Disability evidence Unit in Wales. The fieldwork for the scoping has been completed, which involved a series of interviews, focus groups and workshops.

An options paper will be produced following the scoping work that outlines initial structure and resourcing options and functions to inform implementation of the Unit(s). Once the new government has formed, the options paper will be presented to the Cabinet as a priority.

Financial Implications - Budget has been agreed for 21/22 Financial Year for scoping and the establishment Equality Data and Evidence Unit & Race Disparity Unit (up to £809,000)

This allocation will support the establishment of the unit/s in 2021-22 following the outcome of the scoping exercise which will take place in early 2021.

Recommendation 36

The Committee recommends that

The Welsh Government should include commitments to accessibility (both in the built environment and through organisation's policy and procedures) as a criteria for receiving recovery funding, and monitoring businesses' compliance with these.

Response: Reject

Accessibility is a statutory provision which businesses would need to comply with.

Financial Implications - None

Recommendation 37

The Committee recommends that

The Welsh Government should respond publicly to the recommendations in Engage to Change's briefing "Jobs for people with a learning disability or autism - The role of the NHS" and should develop a learning disability and autism employment plan for the Welsh public sector in line with the plan for the NHS set out in the briefing.

Response: Accept

Officials are currently working with stakeholders on the scoping of a pilot project to improve employability provision for people with a learning impairment and/ or autism and this is linked to a 'proof of concept' pilot to assess the effect of increasing job coach resources available for a small group of apprenticeship providers

Financial Implications - None

Recommendation 38

The Committee recommends that

Welsh Government needs to lock in gains for disabled people around home working. However they must ensure remote working supports disabled people and does not further exclude them

Response: Accept

This work is already underway and these considerations form part of our Integrated Impact Assessment. We are also publishing guidance documents on Business Wales.

As a new policy area, developments will need to be closely monitored for all impacts and changes in trends.

The Welsh Government is due to return to EIS Committee in the new administrative term to provide progress updates.

Financial Implications - None

Recommendation 39

The Committee recommends that

The Welsh Government must carefully consider gender when creating recovery plans and allocating recovery funding in order to avoid any unconscious bias towards male-dominated sectors. As part of this the Welsh Government should use reconstruction funding to:

- encourage women to take up more roles in the construction sector, particularly those jobs created by investments in green infrastructure and***
- create new jobs in sectors where the majority of the workforce is currently made up of women such as in care and childcare***

Response: Accept

Our goal is to create resilient individuals who have the skills, enthusiasm, drive and creativity to fulfil their potential in a fast changing world, where ability, background, gender, or ethnicity is not a barrier to securing fair employment.

We remain firmly committed to supporting people to access jobs, training, higher and further education in order to gain and retain fair employment or self-employment, securing learner continuity and progression in the labour market at this critical time.

We will focus on tackling economic inequality and supporting those who have been most adversely affected by the COVID-19 crisis - especially women, young people, those in low paid and insecure employment, ethnic minority communities and disabled people.

Financial Implications - None

Recommendation 40

The Committee recommends that

Given the record rates of women being made redundant across the UK during the pandemic, and that this rate is much higher than in the 2008 recession, the Welsh Government should review its redundancy support and careers advice programmes to ensure that they are fully resourced and equipped to deliver an increased level of tailored support to women.

Response: Accept

The Welsh Government has established Working Wales, which is designed and implemented to support people across Wales. This national free service, delivered by Careers Wales, offers a rapid response to large-scale redundancies in collaboration with DWP, deploying staff on-site as soon as notified, to support people under notice of redundancy. This support includes presentations to the workforce on site and at a time that suits them, one-to-one interviews and guidance clinics, support with applications for ReAct and other sources of funding, and further support via telephone, video or face to face when restrictions permit. Working Wales already works closely with agencies such as Chwarae Teg and ensures that all of their marketing is gender neutral.

Careers Wales upskills its advisers regularly on developing and evolving labour markets and produces in-house LMI bulletins quarterly to upskill its staff

Financial Implications - None

Recommendation 41

The Committee recommends that

The Welsh Government must set out publicly how it will encourage people to take up training opportunities which will lead them to jobs in sectors where people like them are under-represented

Response: Accept

Careers Wales and the Working Wales service offers a range of activities to support people find and progress in work, including:

- Online Jobs Fairs targeting priority sectors in line with individual RSP Plans;
- Weekly Job Vacancy Bulletins;
- Group sessions in schools and interviews which focus on opportunity awareness and choice at 16;
- Working Wales specific marketing materials, including live discussions and Q&A on diversity and inclusion, and a panel of young people from Black Asian and Minority Ethnic communities discussing their experiences.

Financial Implications - None

Recommendation 42

The Committee recommends that

Preventing a scarred 'Covid generation' must be one of Welsh Government's top priorities for recovery, with robust plans to guarantee high-quality training and work experience for young people

Response: Accept

Currently the delivery of work experience, for under 16's, is the responsibility of schools. Careers Wales also has a bank of digital resources used as an alternative to Work Experience e.g. 'go pro' tours of employer premises which are offered to schools for use with pupils.

Careers Wales offers Tailored Work Experience to young people who are at risk of disengaging or becoming NET through three regional ESF-funded programmes

(Cynnydd, I2A and TRAC). To note these are due to end in 2022/3 with no expectation of further funding at this time.

Also, Education Business Exchange is a database of employers who are willing and able to offer a range of employability enrichment activities to school pupils – eg mock interviews, masterclasses, visits to employer premises etc. These are made available to schools so that they can build a package of support for their pupils when work experience is not available.

Traineeships are available for young people aged 16-18 in Wales not engaged in post-16 education or employment. The primary objective of the programme is to equip people with the skills, qualifications and work experience to enable them to progress to learning at a higher level or to employment, including an Apprenticeship.

The Welsh Government is also currently procuring a new youth employability programme, Jobs Growth Wales +, which will be instrumental in helping young people into the world of work. The programme will offer young people a holistic approach to employability support, and will be key, not only in helping to rebuild the economy at this difficult time by supporting employers to take on young people, but also in making sure that those young people continue to have vital opportunities to train and experience the world of work.

Financial Implications - None

Recommendation 43

The Committee recommends that

Welsh Government should urgently assess the introduction of a Youth Opportunity Guarantee for 16-24 year olds in Wales as part of its strategy and support programmes to tackle youth unemployment

Response: Accept

Financial Implications - This government has put in place additional funding and support through the COVID Commitment to address the urgent need to bolster frontline support, advice, and training and employability support for young people through the pandemic. Going forward, we recognise we will need a relentless focus on supporting young people transitioning into further learning, employment or entrepreneurship, and finding new ways to reach those most impacted to improve their employability.

Recommendation 44

The Committee recommends that

Welsh Government should improve its strategic work with Welsh civic society and young people themselves when developing its policy approach and strategy for addressing youth unemployment

Response: Accept in Principle

The Youth Engagement and Progression Framework (YEPF), published in 2013, aims to reduce the number of young people not in education, employment or training. Representatives from schools, FEIs, the voluntary youth work sector and other third sector organisations were amongst those who were invited, in February 2021, to participate in consultation workshops, on the YEPF. A consultation aimed at young people will take place after 6 May. Feedback from the consultation will be used to inform a refresh of the YEPF

Financial Implications - None

Recommendation 45

The Committee recommends that

To meet the priority of preventing a scarred ‘covid generation’ the Welsh Government must create a strategy which:

- *Includes targeted interventions aimed at supporting the employability of the cohorts of people leaving education during the pandemic and shortly after.*
- *Takes an approach that goes beyond employability measures to build young people’s confidence & resilience and address the underlying structural issues.*
- *Ensures new schemes designed to tackle youth unemployment stop the churn of young people simply moving in and out of various support schemes, including by ensuring courses and placements are of adequate length, and that they fully support progression.*

- ***must be co-designed with young people aged 16-25, including those furthest from the labour market, and must include clearly measurable indicators and outcomes, with young people also involved in the accountability mechanisms.***
- ***Draws on best practice from the UK and further afield.***

Response: Accept

The Welsh Government has engaged with stakeholders during the course of the pandemic to help us understand the effectiveness of interventions, and has incorporated evidence, research and lessons learnt from evaluations of previous programmes to help inform the design of employability support interventions, most recently in the design of the new Jobs Growth Wales + programme.

Careers Wales and Working Wales supports young people with their employability and facilitates positive transition from education to Employment Education and Training. School and college-based careers advisers are able to refer potential school leavers for online Employability Coaching sessions delivered by Working Wales. This support may include mock interviews, job-search skills and job applications skills.

School and college-based careers advisers are able to make referrals to work-based learning or apprenticeships during the summer term (and before students leave school). This ensures that they are able to move from one provision to the next without becoming disengaged in the interim period.

Financial Implications - None

Recommendation 46

The Committee recommends that

Welsh Government must work closely with Department for Work and Pensions and Job Centre Plus to ensure the Kickstart scheme offers as many good quality opportunities as possible for young people in Wales

Response: Accept

The Welsh Government has worked closely with the Department for Work and Pensions (DWP) to ensure the Kickstart scheme integrates with and complements existing programmes of employability support for young people, including Traineeships and Apprenticeships, to maximise the opportunities that a paid work experience place can offer. We will continue to work with DWP and support a Wales Strategic Kickstart Network.

Financial Implications - None

Recommendation 47

The Committee recommends that

Welsh Government should take steps to ensure it has, and publishes, a clear picture of youth unemployment that also can directly compared to other UK and European nations.

Response: Accept

The Welsh Government has a clear picture of youth unemployment, compared to the UK, derived from quarterly data from the Annual Population Survey which is routinely published within Welsh Government's [Labour market overview](#) and underlying data on [StatsWales](#)

Financial Implications - None

Recommendation 48

The Committee recommends that

Welsh Government and Careers Wales should improve promotion of training courses to young people from ethnic minorities. To do this they must work with young people from those communities

Response: Accept

The services of Careers Wales is a universal offer. In schools (from September 2021) Careers Wales will be offering a targeted and differentiated service to young people who are in danger of not making positive transitions at 16. This service focuses on those young people who are likely to appear disproportionately in the NEETs figures. This will include some ethnic minority groups, young carers, Looked After children, young people on free school means, those educated other than at school and young people with Additional Learning Needs.

The Working Wales service also has a universal offer and is a demand-led service. Working Wales gathers information about ethnic minority groups as a protected characteristic so that they can check they are reaching this section of the community. The service prioritised black, Asian, ethnic minority and Disability sectors for additional

marketing and attention for 2021-22, has already made connections with a range of ethnic minority agencies and will continue to expand this over the year ahead, including:- Ethnic Youth Support team, the Oasis Centre (support for refugees and asylum seekers), Diverse Cymru and Welsh Refugee Council.

Community employer liaison support is available via Communities for Work and Communities for Work Plus to assist with matching participants with local labour market opportunities, promote self-employment and new ways of working. I also provides more intensive, tailored 1-2-1 mentoring and support, working in partnership with local authorities and the 3rd sector.

Financial Implications - None

Recommendation 49

The Committee recommends that

The Welsh Government should work with colleagues and employers to support people with protected characteristics to make the transition between training and work in order to ensure they can fully use their qualifications.

Response: Accept

We are continuing to maintain the Credit and Qualifications Framework for Wales (CQFW) – an all-inclusive framework which allows for the recognition of qualifications across all sectors and levels of the education system, irrespective of where learning is undertaken and by whom. The CQFW maintains links with the qualification frameworks of the other UK administrations and is referenced to the European Qualifications Framework (EQF). This ensures that qualifications can be recognised and broadly compared, offering portability and transferability for learners and workers.

Financial Implications - None

Recommendation 50

The Committee recommends that

Welsh Government should publish a recovery plan for bus and rail which includes:

- ***the work needed to understand and respond to passengers' travel needs post pandemic; prioritised plans for new services, fares and ticketing structures; and supporting promotional and marketing activity***

Response: Accept

Through the Covid-19 pandemic, the Welsh Government has supported the bus industry to keep essential services running. We will continue this support as we take

the first steps out of the lockdown and demand for public transport returns. Our 'Bus Emergency Scheme (BES) 2' is a key part of our support as we move forward. It is an agreement between bus operators, local authorities, Transport for Wales and the Welsh Government and provides the basis of partnership working to deliver better services. Work is underway on developing a bus strategy for consultation later this year, which will set out how the Welsh Government will work with our key stakeholders and partners to secure a long-term, sustained improvement in bus services in Wales, focussed on the needs of passengers. In respect of rail TfW will be rolling out a customer return plan over the next 12-18 months to ensure that passengers feel safe and welcome on the trains.

Financial Implications - None. Costs for planning the recovery for rail and bus will be covered from existing budgets

Recommendation 51

The Committee recommends that

Welsh Government should publish an evaluation of the effectiveness of short-term active travel interventions implemented in response to Covid-19. The evaluation should outline lessons learned, case studies and best practice to be shared across local authorities

Response: Accept

Financial Implications - Once Welsh Government has received final claims for the grant funding in April 2021, an evaluation will be undertaken on the basis of quantitative and qualitative evidence from local authorities and other stakeholders. This will include the preparation of case studies which will be shared with all local authorities.

Recommendation 52

The Committee recommends that

Welsh Government should consider the scope of options to give more long-term funding certainty to local authorities for transport investment, similar to that offered to Transport for Wales in the Wales Transport Strategy. The need

for both revenue and capital funding must be taken into account. If this longer-term funding is not possible the Welsh Government must clearly set out why the approach for local government differs from that for Transport for Wales and the National Transport Delivery Plan

Response: Accept

Financial Implications - The benefits of security around long term funding is recognised. Due to the Welsh Government annual budget settlement, an absolute 5-year commitment for revenue and capital for transport is unachievable. Our intention with regard to Transport for Wales is to issue a Statement of Funds Available (SoFA) setting out how much can be spent on transport services, maintenance and projects during the 5-year period of the first delivery plan (or WCP1).

The SoFA will be a rolling financial planning window, rather than a guaranteed funding commitment. We will investigate with other service areas within Welsh Government that provide grants to local authorities, whether a similar approach to SoFA could be applied re local authority grants or whether an alternative methodology is possible.

Recommendation 53

The Committee recommends that

Welsh Government should identify the mechanisms it will use to achieve cross-party consensus on priorities for the 'big ticket' investments in transport infrastructure and operations that are necessary for recovery

Response: Accept

Subject to the preferences of a new Government.

Financial Implications - The National Transport Delivery Plan will set out the “big ticket” investments in Transport. The intention is to seek Senedd’s approval to the Plan