

Priorities for the Economy, Infrastructure and Skills Committee: response from the Bevan Foundation

1. The Bevan Foundation develops new ideas based on sound evidence to make Wales fair, prosperous and sustainable. It is an independent, non-aligned charity. In the last two years it has made a significant contribution to public policy in Wales on:
 - the outlook for the Welsh economy, employment and skills by 2020;¹
 - how to reduce poverty and inequality;²
 - increasing the number of people paid the voluntary Living Wage;³
 - devolving UK Government benefits and services for people of working age;⁴
 - improving bus services.⁵
2. We are grateful for the opportunity to submit our views to the Committee.

Economy

3. Wales faces multiple, major challenges in the next five years as set out in our report 'The Shape of Wales to Come', including increasing GDP, coping with major sectoral shifts (e.g. closure of Tata steel plants) and ensuring that all groups of people and all parts of the Wales benefit from economic growth. The vote to leave the EU has increased many of these challenges as well as creating some new opportunities.⁶ We have argued that the Welsh Government needs to refocus its efforts on increasing economic health other than GDP / GVA and on spreading prosperity.
4. In our view the Committee's priorities on the economy in the next term should be:
 - to examine whether the Welsh Government's economic policies and support services are 'fit for purpose' in the changing global, European and UK economic environment, including the integration of programmes;
 - to examine the adequacy of responses to economic 'shocks' e.g. closure of Tata Port Talbot and Brexit;
 - to scrutinise the extent to which the Welsh Government's approach reduces inequalities between different parts of Wales (including the role of rural and urban hubs) and different socio-economic groups.

Employment

5. Our work has highlighted major changes expected in the labour market (professional and managerial jobs are expected to grow by 17% while more than 1 in 10 semi- and unskilled jobs is likely to disappear) as well as the challenges of low pay and job insecurity, particularly affecting some parts of Wales, women, disabled people and minority ethnic groups. Although employment is in general a reserved matter there is still potential for intervention by the Welsh Government.
6. We recommend that the Committee's priorities on employment in the next term should be:
 - to examine whether the Welsh Government is taking sufficient action to improve terms and conditions of employment, e.g. to increase take-up of the voluntary Living Wage, reduce the gender pay gap, eradicate modern slavery;

- to scrutinise the effectiveness of so-called employability programmes delivered by the UK Government (e.g. the Work Programme and its successor), Welsh Government (e.g. Lift, Communities for Work) and others and how they can be improved (including through devolving responsibility for UK programmes).

Skills

7. As well as increasing the skills held by the workforce, at all levels and at all stages of working life, Wales also faces the challenge of increasing the skill requirement of jobs.⁷ The Bevan Foundation is intending to investigate how to enhance opportunities for young people who do not achieve 5 good GCSEs – around half of all 16 year olds – including improving outcomes from apprenticeships. We have real concerns about the operation of the UK Government’s Apprenticeship Levy in Wales.⁸
8. We recommend that the Committee’s priorities on skills in the next term should be:
 - to scrutinise the effectiveness of Welsh Government policies and provision for skills development amongst people aged 24+, including the integration of programmes;
 - to examine the adequacy of skills provision for young people leaving education without 5 good GCSEs
 - to consider the operation of the UK Government’s Apprenticeship Levy in Wales.

Infrastructure

9. We urge the Committee to take a broad view of infrastructure to include social and environmental infrastructure such as housing and public transport of all kinds. In looking at infrastructure we urge the Committee to scrutinise whether there is complementary investment to maximise the impact of infrastructure.
10. Our work on bus policy has demonstrated the critical importance of bus transport for young people, low income families, disabled people and older people as well as those in large areas of Wales where there is no rail network, yet patronage is declining rapidly. Previous committees have examined bus policy but provision is largely unchanged.
11. We recommend that the Committee’s priorities on infrastructure in the next term should be:
 - to scrutinise the extent to which current infrastructure priorities meet the needs of the less well-off in Wales;
 - to investigate the impact of previous inquiries into bus transport and to make final recommendations to improve provision;
 - to consider future funding of investment in infrastructure after EU funding / UK government compensation funding ends.

¹ Bevan Foundation (2015) *The Shape of Wales to Come: Wales’ economy, environment and society in 2020*.

² Bevan Foundation (2015) *Proposals for a National Programme to Spread Prosperity and Improve Life Chances by 2020*

³ Bevan Foundation (2016) *Fair Pay: A Living Wage Wales*

⁴ Bevan Foundation (2016) *Making welfare work for Wales: Should benefits for people of working age be devolved?*

⁵ Bevan Foundation (2014) *Review of Bus Policy*

⁶ Bevan Foundation (2016) *Wales after Brexit: an agenda for a fair, prosperous and sustainable country*.

⁷ Felstead, A., Davies, R. and Jones, S. (2013) *Job skills, qualification use and training in Wales: results from the Skills and Employment Survey 2012*. WISERD

⁸ Bevan Foundation (2016) *Tax for Good*.