



Ein cyf/Our ref: WQ90269

Tom Giffard MS  
Welsh Parliament  
[Tom.Giffard@senedd.wales](mailto:Tom.Giffard@senedd.wales)

23 January 2024

Dear Tom,

I write in response to WQ90269: Will the Minister detail what the impact of the £19 million of cuts to the employability and skills budget will be, and set out any additional long-term costs to the Welsh Government?

Annex A, in the attached link, provides you with information in relation to the Strategic Integrated Impact Assessment within the Budget Narrative: [Draft Budget 2024 to 2025 | GOV.WALES](#)

Skills and employment remain powerful tools to tackling poverty. Well-paid work is the best route out of poverty and the greatest protection against poverty for those at risk. It can also be a key factor in maintaining physical and mental well-being.

We are reprioritising £19m of funding for employability and skills budgets that enable delivery of key employability activities, including Communities for Work Plus, Jobs Growth Wales Plus and ReAct Plus. These programmes and/or their predecessor programmes relied heavily on European funding, up to £30m per annum; however, disappointingly the UK Government has denied the Welsh Government any decision-making role or access to EU replacement funds through the UK Shared Prosperity Fund, so these programmes cannot continue to operate as they have done previously. The UK Government has also failed to replace EU funds in full, resulting in a shortfall of nearly £1.3 billion in real terms for Wales during the period January 2021 to March 2025; this means it is not just our employability and skills programmes that are affected.

While we have needed to reprioritise funding within the available budget, we are considering how programmes can be targeted to maximise the chances for all groups of people to obtain sustainable work across Wales. We have protected support for 16-19 year olds as far as possible and equality remains a key priority for us. An example of this is our ongoing support for disabled people through our apprenticeship employer incentive. We also recognise that

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

[Gohebiaeth.Vaughan.Gething@llyw.cymru](mailto:Gohebiaeth.Vaughan.Gething@llyw.cymru)  
[Correspondence.Vaughan.Gething@gov.wales](mailto:Correspondence.Vaughan.Gething@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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.

these changes will affect participant numbers and impact public sector bodies in receipt of this funding, so we are working closely with employers and providers to mitigate impacts on participants across Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive style with a large initial 'V' and a long, sweeping tail.

**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy