



# **WCVA Active Inclusion Fund Evaluation**

## **Phase 1 & 2 Final Report: Executive Summary & Recommendations**

**18<sup>th</sup> February 2020**

## **Introduction**

1. This document summarises findings and recommendations from a three year evaluation of the first 2 phases of the European Union funded, Wales Council for Voluntary Action delivered, Active Inclusion Fund (AIF) which was launched in 2016. The brief was to analyse progress and impacts around a set of core questions. This summary and an accompanying main report are structured around those questions.

2. AIF exists to contribute to longstanding challenges in supporting 'hard to reach' people in Wales towards or into the labour market to help to lift participating individuals out of poverty and achieve improved life outcomes. The Well-being of Future Generations (Wales) Act 2015 sets a strategic context in seeking to improve the social, economic, environmental and cultural well-being of Wales with obligations for public bodies to focus on the longer-term and to work better together.

3. AIF demonstrates the value of a flexible element in employability policy to foster innovation, locally responsive approaches and tailored support for particularly challenged people whose needs may not be met by larger institutional approaches.

4. In departing from the EU, Wales has an opportunity to review approaches in helping people towards and into work in the context of Welsh conditions and needs. The evaluation uses findings to suggest how any successor arrangement might be developed to enhance benefits whilst sustaining the core value of the current approach.

## **The AIF Theory of Change and Intervention Logic**

5. AIF design aligns with the principles for success in recognising that individuals require *capacity* to operate in and then *opportunities* to enter and stay engaged in work.

6. EU and wider accountability requirements necessitate considered targets and quantification, however, initial AIF targets were over precise with unrealistic timescales. This was inconsistent with the challenge of supporting people experiencing challenging circumstances. The result was significant target reprofiling and extended timescales for delivery. Any successor to AIF would benefit from a review of targets and measures of success with a greater emphasis on longer-term outcomes for individuals.

## **Did the Four Individual Funds within AIF Achieve their Objectives?**

7. Phases 1 and 2 supported 15,433 participants at a cost of £15,980,538 plus match funding of £6,147,358 (total £22,127,590), excluding some part payments for awards terminated before completion. Assessing results against reprofiled numerical targets, both West Wales and the Valleys and East Wales funds targeting people age 25+ show a broadly positive performance. In contrast, West Wales and the Valleys and East Wales youth (16 – 24) funds under-performed, and East Wales requires fundamental review.

8. However, numerical analysis does not reflect the challenged circumstances of many of the individuals supported, or the outcomes achieved for individual AIF participants.

Looking forward, we suggest a review of the characteristics, distribution and geography of need, potential numbers of those needing support, and of how far various public policy levers (including AIF) are working in harmony to maximise impact and value for money.

## **How varying approaches taken by beneficiaries affect outcomes: what worked for particular target groups and which were less successful?**

9. In most cases, we found little differentiation of effectiveness in organisations engaging with different target groups once awards are operative. Rather, effective interventions rely on appropriately experienced and capable support; and effective application of good practice. Most AIF beneficiaries were committed, capable, and adopted fit for purpose approaches to support participants. We estimate that 95% of those completing AIF awards fall into this category. However, AIF outcomes could be improved by broadening and systemising inter-organisational collaboration. This has a number of dimensions in building:

- a) Effective referral pathways, and support for sometimes challenging processes for documentation showing proof of participant eligibility.
- b) On the role of specialist beneficiaries with expertise in areas such as mental health or domestic abuse who have been proactive in reaching their client groups.
- c) Institutional awareness and collaboration, with other agencies to develop cooperation, better share information, and to reduce the likelihood of people falling through the gaps.

## **Is the operation successfully reaching target groups, broken down by demographics, and again, what is or has worked well and what didn't?**

10. AIF is successfully reaching and supporting people in challenging circumstances. However, the balance of male to female participants is 55% to 45%. and BAME participants are 4.5% compared to 5.4% across the Welsh population: these apparent imbalances should be reviewed for any future arrangement. We also suggest evaluating how to meet Welsh Government aims for the Real Living Wage: AIF beneficiaries are reimbursed at statutory minimums and cannot supplement earnings under match funding.

## **Assess the impact on participants in terms of the development of skills and employability.**

11. Once engaged, participants consistently benefitted from support. The balance between people helped towards work (82%) and work placements (18%), or longer-term volunteering or work, reflects that in successfully reaching 'hard to reach' people, it is unsurprising that many individuals benefit, but remain some distance from employment. Many such people will need support over extended timescales to achieve labour market participation. Transition out of AIF often lacks this continuity of support. Typically, the longer an individual is economically inactive, the more barriers they face to labour market

participation, and the more support they require to achieve this. Phase 2 changes were a tentative step in the right direction.

12. At its best, AIF is securing appropriate work placements and longer-term opportunities: success is highly dependent on beneficiary ability to provide effective participant support, and on being networked into where opportunities lie.

### **The Extent to Which AIF Adds Value to the Delivery of Other Relevant Programmes.**

13. Despite opportunities for adding further value, AIF fills a niche, often with no other obvious or attractive route for support for challenged individuals. AIF also demonstrates how third sector organisations can add value, particularly locally, and in sourcing creative approaches and opportunities outside the mainstream: 86% of AIF beneficiaries are third sector organisations (broadly defined).

### **How AIF contributes to Wellbeing of Future Generations (Wales) Act 2015 objectives and to tackling poverty e.g. by encouraging and supporting organisations paying the living wage.**

14. Identifying causal links between relatively short-term engagement with individuals (AIF) and longer-term strategic aims is challenging and exacerbated by the absence of effective post participation monitoring to assess how participants fare over time (a common failing with employability initiatives).

15. However, a core underlying objective of AIF is 'anti-poverty': AIF has contributed by addressing a key driver of poverty, poor health and social exclusion, i.e. worklessness in those most challenged. For example, it is helping those with poor mental health, addictions, or learning difficulties towards or into work or volunteering which is a major factor in improving individual, family and ultimately community wellbeing. Evaluation narratives illustrate how AIF at is transforming lives by building confidence, necessary soft and hard skills, and in helping a proportion into longer term work or opportunities.

### **The extent to which the operation integrates Sustainable Development into Awareness Raising, Education and Training.**

16. No specific measures were set for assessing this impact of AIF. However, key performance indicator data from WCVA records suggest that many AIF supported activities included a broad sustainability criteria.

### **How language preferences are identified and met: Welsh and English being a key aspect, but also recognising minority groups.**

17. 2% of participants chose to engage in Welsh, however, this does not capture the extent to which the Welsh language was the medium of communication. Welsh-speaking participants were less confident to use Welsh in official contexts (e.g. official forms),

although many may be cautious about any engagement with 'officialdom'. AIF forms are available in Welsh, but there were reservations about the style of language used.

18. The use of Welsh in informal settings created an important social bond of trust between Welsh language participants and beneficiary bodies, even if not recognised as the official language of the course. Some participants and beneficiaries emphasised the importance of speaking Welsh in seeking work in a Welsh speaking area.

## **The AIF System & Processes**

19. Whilst welcoming the role of WCVA, AIF beneficiaries have raised consistent concerns about administrative overheads. Within the constraints of being a WEFO sanctioned intermediary body, WCVA listened to providers, 'softened' some challenging AIF criteria, and phase 2 changes were particularly welcomed. Potentially free of future EU requirements, any successor arrangement is an opportunity for a fundamental review of administrative processes to streamline and create proportionate systems and requirements.

## **Looking to the Future**

20. In considering any future arrangement we suggest sustaining the appropriate focus on hardest to reach individuals, but a shift to longer term investment in those individuals and flexibility to allow longer projects capable of combining several stages, that could potentially:

- a) Start with confidence building and wellbeing i.e. basic life skills; then when ready
- b) Workforce preparation; then
- c) Experiential activity such as supported volunteering or supported workplace activity and helping people into longer term employment or volunteering; and as need be
- d) Post participation support once in employment: a 'keeping in touch' approach is often valued by individuals, may help to sustain positive life changes, and is consistent with the need to monitor how they fare longer term.

21. Such projects would encourage inter-organisational collaboration to create participant pathways, and share commitment to outcomes with each participant allocated a key worker with appropriate 'people skills', local knowledge, and connections to work with participants through the stages of support. This should also aim to improve networking with suitable and willing employers.

22. We also identify the desirability to look at future opportunities for work: it may be unavoidable (and even beneficial for some) that participants are employed in declining sectors such as retailing, but identifying where potentially growing opportunities lie and matching them where possible to suitable participants is desirable. This might, for example, explore and promote opportunities through Corporate Social Responsibility commitments, or notions of the Foundational Economy in Wales.

## **UKRCS**

**February 2020**

## **Evaluation Recommendations**

23. These recommendations are extracted from the main evaluation report which develops the summary commentary above, and explains the rationale for each in more detail.

**Recommendation 1:** rebalance core targets for any successor arrangement to place more weight on recording the quality of outcomes for individuals and the longer-term value for those individuals and their communities, with numerical targets that are more realistic in terms of local geographies and in terms of time scales for achievement.

**Recommendation 2:** review any successor steering arrangements, including any role for the Economic Inactivity Panel, to create a strategic overview function and a separate, but related, operational oversight function.

**Recommendation 3:** review the distribution and numbers of individuals needing support and the characteristics of these hardest to reach groups to inform the potential for a more systematic approach to collaboration between organisations and programmes.

**Recommendation 4:** Welsh Government might specifically review of the nature and geography of activity and programmes to support 16 – 24 year olds who are NEET to inform where gaps in support exist – or not.

**Recommendation 5:** any potential successor to AIF should review current match funding requirements that differentiate between the geographic area currently defined as East Wales and that defined as West Wales and the Valleys with an objective of achieving parity in supporting people in challenging circumstances.

**Recommendation 6:** a potential successor arrangement should review how to develop more systemic approaches to inter-organisational referrals, for example through GPs, Job Centres, social services, local authority economic development departments and, potentially, schools.

**Recommendation 7:** effective beneficiary and facilitator participant support: consider the principles set out above and in the Working Document as a basis for supplementary guidance on good practice, and also to provide AIF staff with an aid in assessing beneficiary effectiveness and performance on this basis.

**Recommendation 8: examine the potential for a collaborative triage process** for initiating participant engagement, activity and planning longer term support for individual participants where needed.

**Recommendation 9:** a future arrangement should review project timescales with a view to extended project life for those participants who would benefit from planned and co-ordinated support over a longer period.

**Recommendation 10:** consider the practicality of placing an emphasis for phase 3 on encouraging proposals that involve BAME groups and female engagement to redress imbalances to date, and address through any successor arrangement.

**Recommendation 11:** Welsh Government might review zero hours contract guidance to consider whether this can be an outcome if the participant has regular weekly work over a reasonable period.

**Recommendation 12:** any successor arrangement, might include a requirement and incentivisation for post project tracking of participant outcomes, ideally for all participants over a 2 – 3 year period, but at least on a sample basis.

**Recommendation 13:** evidence of outcomes and completion: WCVA might identify and communicate best practice in effectively tracking participants and reinforce that this is an AIF requirement, to foster good beneficiary practice in sustaining or enabling participant support post AIF engagement.

**Recommendation 14:** improve data sharing as a short and longer-term objective: we suggest that Welsh Government works with relevant organisations, including, WCVA, to review the potential for developing data sharing arrangements and capacity in the context of employability initiatives targeting the ‘hardest to reach’.

**Recommendation 15:** any successor arrangement should:

- a) Include a Welsh Government review of funding employment placements at the real living wage rather than statutory minimums.
- b) Review the potential for longer projects that offer support over a series of stages for participants in need of continuity of support.
- c) Review the case for a flexible and discretionary element to provide support for participants with unusual or on-going needs for support

**Recommendation 16:** consider potential for simplifying future forms in Welsh for any successor arrangement.

**Recommendation 17:** the design of any future AIF successor arrangement should include a ‘root and branch’ review of administrative arrangements with a mission to simplify as far as that is possible consistent with essential accountability and related requirements, and to design proportionate arrangements that match the size of awards. This should involve WCVA, Welsh Government and experienced beneficiary bodies working together to achieve this.

**Recommendation 18:** sustain and develop beneficiary training, and networking and knowledge exchange.

**Recommendation 19:** establish a cadre of best practice beneficiaries able and willing to share experience with other providers.

**Recommendation 20:** establish a means for beneficiaries to share experience, learn, consider what works and share best practice in participant terms: this could be virtual and / or literal. This might include an early priority to develop a ‘what works’ analysis with stakeholders to include identifying effective pathways into work for hard to reach groups.

**Recommendation 21:** develop current steps to share and tackle WCVA and beneficiary frustrations through communication and engagement to embed expectations, identify challenges and demonstrate that WCVA are receptive to addressing issues, and solve or minimise genuine problems.

**Recommendation 22:** further develop staff support to help staff handle what is a challenging role in achieving a balance between sustaining productive beneficiary relationships and communications, and ensuring effective compliance and consistency in handling them.

**Recommendation 23:** for any successor, further develop the WVCA AIF Project Data System to streamline beneficiary data input where possible, but also to develop data collection, access, and analytic capacity to assess outcomes and impacts for reporting purposes. Outcome and impact development should be conducted working with a research professional versed in outcome and impact measurement and evaluation.

