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WCVA Active Inclusion Fund Evaluation

Phase 3 Interim Report: Executive Summary

30th June 2021

1. Purpose

1.1. This summary presents emerging results from an evaluation of phase three of the Wales Council for Voluntary Action (WCVA) delivered, Active Inclusion Fund (AIF). This phase was commissioned in June 2020 with a final report due in September 2022. The work also draws on the evaluation of phases one and two which ran from December 2016 to March 2020.. These emerging findings therefore draw on 4.5 years of research. Despite operational changes, the fundamentals of AIF have been constant over that period.

2. Context

2.1. AIF funds organisations to support people who have or still experience profound challenges to help them move towards work, or to provide them with work experience and, for those ready, help into longer term employment. AIF is grounded in a sound premise that finding and sustaining suitable employment is a means to help people out of poverty to achieve improved life outcomes. The immediate benefits revolve around individual wellbeing but extend to families, communities, Welsh society, and the economy more widely.

2.2. AIF is a flexible element in Welsh employability programmes that fosters innovation, locally responsive approaches and tailored support. In practice, AIF combines employability, welfare and wellbeing support to address necessary soft and life skills alongside work-related skills in setting people on a path towards and into employment. The goals of the Well-being of Future Generations (Wales) Act 2015 to improve societal well-being in Wales and for public bodies to focus on the longer-term and to work better together, set a clear strategic context.

The Evaluation Brief

2.3. The brief seeks learning on what works to inform future employability policy and programmes and accompanying welfare and wellbeing objectives in supporting 'hard to reach' people. Whilst requiring a final assessment of AIF performance, the core is a set of inter-related strategic questions. The questions are to assess:

- a. AIF benefits and Social Return on Investment, how AIF 'fits' with mainstream programmes, and how far employability, wellbeing and welfare objectives might be integrated to best support challenged people.
- b. How AIF has met European Social Fund Cross Cutting Theme aims and to establish 'what works' including meeting language preferences.
- c. 'What works' in matching people and their circumstances to opportunities across a diverse and shifting Welsh economy and diverse economic geography.

- d. To evaluate the effectiveness of AIF in achieving targets and objectives since launch in 2015.
- e. To further develop intervention logic as an over-arching framework to inform how future arrangements might best support 'hard to reach' people.

Methodology

2.4. The evaluation mixes quantitative and qualitative approaches, including wide engagement with key organisations and stakeholders. The evaluation is designed to be adjustable to meet COVID 19 requirements and uncertainties.

3. Key Findings

3.1. As a flexible element in Welsh employability policy, AIF has particular value in enabling highly tailored support to meet the needs of challenged individuals where such needs cannot be wholly met by larger institutional approaches. It also demonstrates value in engaging wide ranging bodies including many in the third sector with equally wide skills and experience in supporting diverse individuals and groups that larger more institutional programmes can find 'hard to reach'.

3.2. **Reaching targeted groups and individuals:** phase three findings support earlier conclusions. There is a continuing sense that AIF is reaching those targeted and is 'making a difference', and we have encountered a genuine sense of grant awardee pride in what they are achieving.

3.3. **Administration and systems:** the AIF system is fundamentally that operated in phases one and two and we encountered familiar frustrations with administrative and process requirements that are designed to meet European Union funding rules, albeit tempered by praise for WCVA staff, particularly in supporting and helping beneficiaries during the COVID 19 pandemic. As a result of COVID 19 experience and the fact of Brexit, there are opportunities for reviewing processes and simplifying them for any future arrangements. As a principle, systems should be proportionate to the level of the grant awards made and AIF awards are typically modest by grant scheme standards.

3.4. **The Role of the Third Sector:** evaluation work over 4.5 years suggests a broad consensus for a continuing role for the third sector in employability programmes and the value that this brings, coupled to a view that something akin to AIF is needed in future. The phase three evaluation encountered particular anxieties about future resource availability and a concern that people in the most challenged circumstances may 'fall through the cracks' in future arrangements.

3.5. The voluntary sector has a particular role in drawing on appropriate organisations that are familiar with targeted groups or communities and able to apply an emotional intelligence that is responsive to the circumstances of

their clients. The organisations concerned are often small, committed to their client groups and understand them, and in some cases, staff may have experienced similar circumstances. The full interim report highlights the characteristics and approaches that work in supporting people in such circumstances.

3.6. Objectives for support for the 'hard to reach / seldom heard': many of those targeted benefit from support but remain distant from labour market participation so employability provides an important focus. However, this should be tempered by recognition that volunteering and constructive community engagement should sit beside these objectives and be counted as successful outcomes. This suggests outcome criteria that focus on opening opportunities for individuals that may include longer term employment, but would also include results where positive self-help or action result outside the labour market.

3.7. Also, participants in AIF may face uncertainties about the availability of suitable employment. This suggests value in a more direct relationship between any successor arrangement and potential employers to better understand and inform where opportunities lie, how to access them and how to address any barriers that might prevent a successful outcome for employer and employee (see also section 4).

3.8. Longer term and consistent engagement with participants and improved inter-organizational co-operation and data sharing: an early sampling exercise examining the Welsh employability and related welfare and wellbeing policy and programme landscape suggests a complex picture of initiatives and organisations. Combined with the short term nature of many initiatives, this is often incompatible with the support needs of those in challenged circumstances who need sustained and consistent help to achieve a more stable lifestyle and confidence building before moving towards workplace skills and experience. Staccato and uncoordinated interventions by multiple organisations are not a recipe for success.

3.9. Sustaining continuity of participant contact and support: those targeted by AIF generally need a managed and tailored route map if employment or volunteering are the outcome sought. This includes a need for mentoring or personal support to help people to move through the necessary stages to boost the chances of participants benefitting from that experience and for a trusted individual or organisation to be on hand to help if barriers arise. The aim is to build skills, capability and confidence to create independence not dependency. This also suggests that any future arrangements be more selective in engaging suitable support providers and setting criteria that test their capability in supporting participants in this tailored and specific way.

COVID 19: Impacts and Learning

3.10. Phase 3 of AIF started in October 2019 with revised target profiles. COVID 19 struck 6 months later. Unsurprisingly, AIF performance lags although we are

surprised that impacts are not more extreme given both the people targeted for support and the impact on the Welsh economy and society more widely. WCVA are working to adjust the programme and put it back on track. No 'yard stick' exists to compare performance in the COVID 19 pandemic, however, AIF remained operational under challenging circumstances. Transferable lessons are around:

- a. Flexibility in relaxing AIF administrative requirements and WCVA staff flexibility, communications and engagement to help grant awardees.
- b. The value of resilience, agility and adaptability in providing support: differences between grant awardees were stark but typically, resilient organisations that are committed and close to their clients were most successful in adapting and sustaining support.

3.11. Successful participant engagement during the pandemic also revolved around:

- a. Understanding likely impacts on vulnerable people and maintaining support through successful adaptation, for example, switching to virtual support. Successful support adopted new ways of working yet managed to provide and sustain reassurance and contact during the often stressful experience of COVID 19: i.e. addressing participant wellbeing as well as employability. The shift to virtual support also added insight into participant living conditions and poverty, and in some cases resulted in wider help (e.g. in accessing food or clothes banks).
- b. Using technology to establish and maintain connection with individuals: successful organisations addressed digital poverty & literacy, for example, in sourcing equipment for participants, with benefits that are likely to extend beyond the pandemic. In some cases, virtual engagement was a means to increase participation, for example with families rather than individuals and in some cases enabled participation by people who probably wouldn't engage face to face (e.g. as a result of cultural expectations and norms).
- c. Helping participants to engage with society to help others in a time of crisis and communicating in Welsh where people wish as a means to build trust.

3.12. COVID 19 gives rise to uncertainties in relation to economic impacts with at least a short term decrease in available jobs or placements for participants with accompanying potential impacts on motivation, and also accelerated change in employment markets (e.g. the shift from high street retailing to online purchasing), but with potential new opportunities including those for voluntary activity.

3.13. COVID 19 restrictions have driven or accelerated fundamental shifts in how society operates. The extent to which society reverts post pandemic is

subject to debate. However, AIF funded organisations advise that the most likely outcome is a hybrid approach that reverts to face to face approaches but integrates digital approaches and ways of working to a much greater extent than pre-COVID 19.

4. Supporting Studies

4.1. Phase three evaluation work included a number of supporting studies which are contained in the main interim report. These are briefly summarised below.

Literature Review: Welfare, Wellbeing and Employability Interventions for those Furthest from the Labour Market.

4.2. This review examined evidence and experience in creating pathways of support for those furthest from the labour market, and the value of integrated approaches that bring together employability, welfare and wellbeing objectives.

4.3. The review endorses AIF evaluation findings that those most challenged need a blend of support around confidence building and life skills, support in developing employability skills, and then help to enter the labour market, and potentially, post-employment support to help to sustain successful participation and improved lives. It also finds that past employability interventions have tended to focus on the supply side in that it is notionally 'easier' to develop skills and capacities to make people more suited to existing employment opportunities, rather than create new opportunities in the market for those without work

4.4. The review also finds that 'Work First' interventions (i.e. moving people into employment as soon as possible) are less effective for those with complex needs, because they generally do not deal sufficiently with wider barriers to employment. The evidence points to the need to invest in personalised support to prepare people to progress towards work with interventions that typically operate at a smaller scale, work over a longer time period and address the portfolio of barriers often faced by individuals. The evidence also endorses the role and value of:

- a. Collaborative referral systems and data sharing to identify target groups and individuals and link them to appropriate support, and therefore the value of local knowledge and expertise to increase reach.
- b. Building participant trust and careful presentation of interventions e.g. via positive community awareness and recommendation, or through trusted individuals and organisations: people further from the labour market may be reluctant to engage with 'regular' employment support programmes. This can extend to mentoring with a caseworker *before* any specific package of support is offered to ensure that the individual is ready to progress, and that the support provided is tailored to their needs.

- c. Holistic, personalised and flexible support: leveraging appropriate specialist capacities not creating new services and the importance of support available through the voluntary sector and civil society.
- d. Links with employers in aligning support with employer needs and suitable work opportunities, i.e. being responsive to the local and regional labour market to link support with employment opportunities.

Employment Opportunities in Wales: Initial Examination

4.5. This initial overview of the economic and employment landscape confirms widely understood factors in Wales such as lower average pay compared to UK averages, and a comparative lack of highly paid jobs with a job market tilted towards hospitality, health and social care. It also references shifts in job markets driven by factors such as Brexit and COVID 19 and the fact that many available jobs are not necessarily longer term or secure.

4.6. The phase one and two AIF evaluation found that the majority of participants finding employment moved into minimum wage entry-level jobs (noting that this does not negate the value of that employment for individuals as an achievement).

4.7. The changing labour market landscape may offer opportunities if future programmes can work with the grain of that change. These include:

- a. The Foundational Economy with a policy focus on the ‘missing middle’ in establishing a larger base of medium sized Welsh companies ‘capable of selling outside Wales’ but with decision-making firmly rooted in communities. This approach includes basic services and products that people rely on that align well with the sectors that AIF participants tend to work in including care and health services, food, housing, energy, construction, tourism and retailers.
- b. Linking to the Foundational Economy, a few AIF funded organisations show how a model might work in supporting small local businesses to grow and take on new staff: the key is helping people who might otherwise be challenged to access work and at the same time helping businesses to see opportunities to grow and grasp them and offer such people jobs.
- c. Building stronger links with larger employers at a programme level: this can also work to overcome the stigma that can unfortunately attach to people who have particular challenges or conditions that might otherwise give rise to employer reluctance to engage them.
- d. The shift to digital: increased remote working offers opportunities to increase the number of jobs (and volunteering opportunities given that new forms of virtual volunteering are emerging) for those in remoter communities, or with mobility challenges, or with other reasons for

adopting digital engagement provided people are equipped to take advantage.

- e. The shift to digital working may also lead to an increase in demand for local services as more people work at least partly from home.

Fostering the Welsh Language

4.8. This element of the AIF evaluation examined 'what works' in fostering the use of the Welsh language, particularly in the context of employability, welfare and wellbeing programmes and Welsh Government ambitions to ensure a million Welsh speakers and to double the daily use of Welsh by 2050, and the Welsh Language Commissioner's Strategic Plan 2018 – 2021. The Challenge is that:

- a. A small proportion of AIF participants formally opt to use Welsh as a first language, but outside specific engagement focused on the Welsh language, grant awardees and participants typically raised no issues with language preference or use.
- b. The informal use of Welsh is much more prevalent than in formal use in documentation and official processes, reflecting a wider experience and research, and a common challenge in Wales.
- c. Given modest numbers of participants seeking to speak in Welsh, and mixed groups, English is accepted as the norm. However, grant awardees in strongly Welsh speaking areas viewed Welsh as important given that it is in common use for the organization and as a community language, and can also be a necessity to access some employment opportunities. Also, Welsh speakers feel more comfortable expressing themselves in Welsh. This is important for services supporting vulnerable participants.

4.9. WCVA actively fosters the use of Welsh and has taken measures to develop Welsh language services and to ensure that WCVA Welsh speakers are available for AIF: something endorsed in positive terms in our research. Also, the wider role that WCVA play after introducing Welsh language standards in 2016 is recognised by the Welsh Language Commissioners office. This is important because seemingly modest demand and take up of Welsh language services can deter investment in developing them.

4.10. Welsh speaker reluctance to use existing Welsh language services is grounded in structural barriers (i.e. the lack of choice or ability to communicate in Welsh); and behavioural barriers that include a lack of confidence in the quality of Welsh language services, fear of misunderstandings when dealing in Welsh, and concern that Welsh is 'too formal' or too 'technical'.

4.11. **Lessons / What Works:** long term and ambitious Welsh Government targets to foster the use of Welsh as a first language may be partly achieved

progressively, for example, through the education system. However, there is a Wales wide challenge. The 2050 target suggests a need for a cultural as well as a practical shift with greater and more proactive use of Welsh as the default and English as a second, fallback, option. At present, English is more likely to be the default.

4.12. There are a number of factors that mitigate in favour of fostering the use of Welsh in designing and delivering programmes. These revolve around:

- a. **Organisational culture:** organisations that are fluent and confident in Welsh with sufficient Welsh speakers will be better placed to support and encourage, the use of Welsh in informal and formal contexts. Having fluent Welsh speakers also appears to encourage more individuals and organisations to conduct business in Welsh.
- b. **Planning processes** should assess where Welsh language skills are needed and, for example, might involve Welsh medium organisations to assist, e.g. Mentrau Iaith Cymru. All specific functions within the administration of programmes should include fluent Welsh speakers.
- c. **Encouraging and adopting exemplars of best practice**, for example, schemes such as 'Cynnig Cymraeg / Welsh Offer'.
- d. **Supporting staff** to have more confidence in their Welsh language abilities, and creating opportunities to use the language.
- e. **Monitoring service user language preferences** throughout the user journey to ensure that opportunities are afforded to use Welsh throughout.
- f. **Simplicity and clarity in the formal use of Welsh:** this should extend to ensuring organisational capacity to review the use of Welsh in documentation, websites etc. to over-come concerns about Welsh being 'too technical': for example, when documentation is translated from English into Welsh.
- g. **Using IT based aids:** the COVID 19 pandemic has driven new online working practices some of which look to continue in future service delivery. There is potential to extend the reach of Welsh language services by applying Apps such as 'Vocab' which uses a dictionary developed by Canolfan Bedwyr, Bangor University to help websites adopt simpler and easier to read Welsh.

Social Return on Investment (SROI)

4.13. Phase 3 included a review of the use of SROI as a methodology for employability initiatives, and how it has been applied. SROI is an impact assessment approach to measure the economic value of interventions and apply a

'broader concept of value' beyond financial returns to assess social, environmental, and economic costs and benefits.

4.14. SROI has been applied to UK employability initiatives most commonly focusing on benefits for all stakeholders with assigned values for inputs and outputs but presented as a ratio, e.g. £1 invested - £5 generated. This is a relatively young methodology, but UK practitioners have defined a systematic approach that identifies inputs, outputs and outcomes, applies a system of 'checks and balances' to moderate the assessment, and then assigns financial values to outcomes that often use financial proxy measures of necessity.

4.15. **Benefits and Issues Arising:** when applied appropriately, the benefits can be broadly summarised as assessing and informing:

- a. Policy development and refinement and targeting resources with a stakeholder centred approach to designing social policy interventions.
- b. Assessing 'distance travelled' (observable changes) even if 'whole' destinations are not reached: this is significant in relation to hardest to reach who have the most distance to travel and the most challenges.

4.16. Issues arising include the:

- a. Resources needed, challenges in monetising some social outcomes and subjectivity in applying proxies where direct measurement is not possible.
- b. Need for good quality and available data to attribute to a specific programme in a complex policy and programme environment, including often absent longitudinal data, and data to assess the counter-factual.

4.17. **Outcomes:** many employability SROI assessments focus on the 'hard' employability outcomes achieved (e.g. entering and sustaining quality employment, earning an income and direct work specific skills). However, most also acknowledge wider workplace skills that include organizational skills, customer service skills and IT and Computer Skills. Also, all SROI employability assessments reviewed highlight soft benefits including personal and social wellbeing, increased self-esteem and independence, strengthened relationships with family, friends and communities. Assessments also include entering volunteering and further education and/or training as outcomes.

4.18. **Valuing Outcomes:** despite subjectivity, there are commonalities between UK SROI employability assessments and the review found that employability interventions working with the most vulnerable groups tend to generate proportionally greater value in terms of savings to the state.

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