



WCVA Active Inclusion Fund Evaluation

Final Report: Executive Summary

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WCVA Active Inclusion Fund Evaluation: Final Report: Executive Summary

1. Introduction

1.1. This document summarises findings and conclusions from an evaluation of the EU Funded and Wales Council for Voluntary Action (WCVA) delivered Active Inclusion Fund (AIF) which was launched in 2015. AIF was funded by the European Social Fund (ESF) and conceived to contribute to addressing longstanding challenges in helping 'hard to reach' people in Wales engage or re-engage in the labour market: people aptly described by a WCVA Economic Inactivity Panel member as the 'seldom heard'.

2. The AIF Theory of Change and Intervention Logic

2.1. AIF design aligned with the principles for success in supporting people in challenged circumstances by recognising that individuals require *capacity* to operate effectively and then *opportunities* to enter and stay engaged in work. It was grounded in a soundly based premise that finding and sustaining suitable employment is a means to help people out of poverty, with wellbeing benefits for the individual, families, communities, and the Welsh economy more widely.

2.2. AIF combined employability and welfare and wellbeing objectives by addressing participant soft and life skills alongside the acquisition of work-related skills in setting people on a path towards and into employment in recognition that improved and healthier lifestyles can be a key determinate in moving towards and into work.

2.3. AIF was a flexible and pan Wales element in Welsh employability policy. It fostered innovation, locally responsive approaches and provided for tailored support for challenged individuals and groups. It engaged a wide range of bodies to provide support, and particularly mobilised third sector organisations who brought equally wide-ranging skills and experience.

2.4. AIF was launched in 2015, extended for a phase 2 in 2017, and then further extended for a third phase in 2019 with final closure scheduled for Spring 2023. It therefore spanned the pre COVID 19 era, the pandemic, and the post pandemic period.

2.5. The evaluation methodology combined qualitative approaches that included workshops, interviews and observations with participants, bodies providing support and wider stakeholders, with quantitative analysis of data, and literature reviews, plus validation workshops and Steering Group oversight and challenge.

3. Findings

3.1. Overall, AIF was effective in reaching targeted groups and made a 'difference' across Wales in providing support for over 23,000 individuals since 2015. This

achievement is impressive given that these participants were those who consistently experienced challenging circumstances.

AIF Performance: Administration, Targets and Finance

3.2. The role of WCVA and AIF was widely appreciated by beneficiaries (organisations funded to provide support) and extended to recognition that WCVA made helpful changes to systems where possible within EU funding requirements.

3.3. However, a key challenge throughout the evaluation revolved around beneficiary frustrations with demanding AIF process requirements. These were designed to comply with European Funding stipulations. Some were potentially beneficial for participants, but created genuine challenges where participants were vulnerable, suspicious of authority or unfamiliar with official processes. These challenges were not unique: the 2013 Guilford report highlighted them as issues endemic to European Structural Fund programmes¹.

3.4. A second issue was a mismatch between the inherently flexible nature of AIF (which was core to programme success), and the initial targeting framework set for it. Whilst objectives for employability policy need robust data to describe local conditions, when inappropriately applied, they can be less helpful. AIF design was inconsistent with the highly specific targets initially set for local geographic areas. For example, would one less person supported with low skills in Conwy than targeted and one more supported in Anglesey constitute failure?

3.5. Given the nature of AIF objectives, it is unsurprising that finances and targets were subject to substantial review over the life of the programme. The extent of this necessary and pragmatic reprofiling was a function of some over optimism and the challenges and timescales involved in engaging and supporting people who face serious challenges and barriers (and who may lack linear lifestyles).

3.6. Overall, this does not detract from a positive overall evaluation conclusion.

COVID 19: Impacts and Learning

3.7. COVID 19 was highly disruptive across Wales. AIF remained operational under challenging conditions: intuitively, it is surprising that impacts were not more extreme given both the people targeted for support and the impact on Welsh society more widely.

3.8. Short term impacts included impediments to providing support (for example, some projects involved group activities or hands on experience) and challenges in finding available jobs or placements. Equally, given the groups and individuals targeted for support, it was likely that participants would be 'lost', and this was the case: some participants experienced diminished motivation or expectations.

¹ Investing in Growth and Jobs: An Independent Review of Arrangements for Implementation of European Structural Funds Programmes 2014 – 2020, March 2013, Dr Graham Guilford

3.9. Keys to sustaining the AIF Operation included WCVA and Welsh Government flexibility in adjusting AIF processes and WCVA support for beneficiaries. Also, the resilience and adaptability of beneficiaries – *or not* - in responding was crucial: some simply stopped activity or curtailed it, others adapted their approach and the nature or way in which they provided support. Section 3.4 of the main report contains further analysis of what worked and learning that offers potentially transferable lessons beyond the specifics of the COVID 19 pandemic.

3.10. Overall, one outcome appears to be the wider adoption of hybrid approaches in engaging with people that integrate face-to-face and digital approaches to a much greater extent than pre-COVID 19.

Did AIF Reach and Successfully Help Target Groups?

3.11. Overall, most participants consistently reported positive experiences and benefits. There were exceptions, but that is unsurprising for a programme of this scale and considering that targeted groups included people emerging from chaotic lifestyles or difficult circumstances. The programme:

- a) Successfully worked with many people in challenging circumstances with an impressive track record for participant outcomes.
- b) Engaged participants with very diverse characteristics. Some were close to labour market participation, but in emerging from challenging circumstances, many benefitted but were unready for the formal requirements that accompany participation in the workforce and would have benefitted from a longer term supported pathways towards work.

3.12. Chart 1 below shows the breakdown of AIF participants by primary entry priority (i.e., eligibility criteria) and Chart 2 shows exit outcomes achieved.

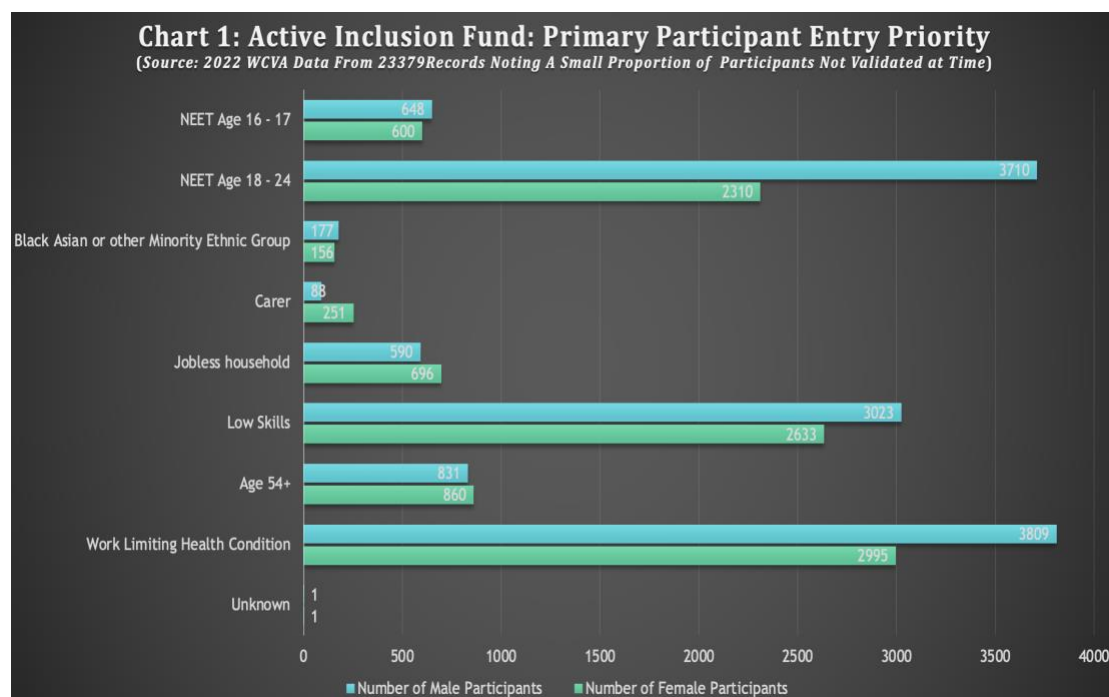
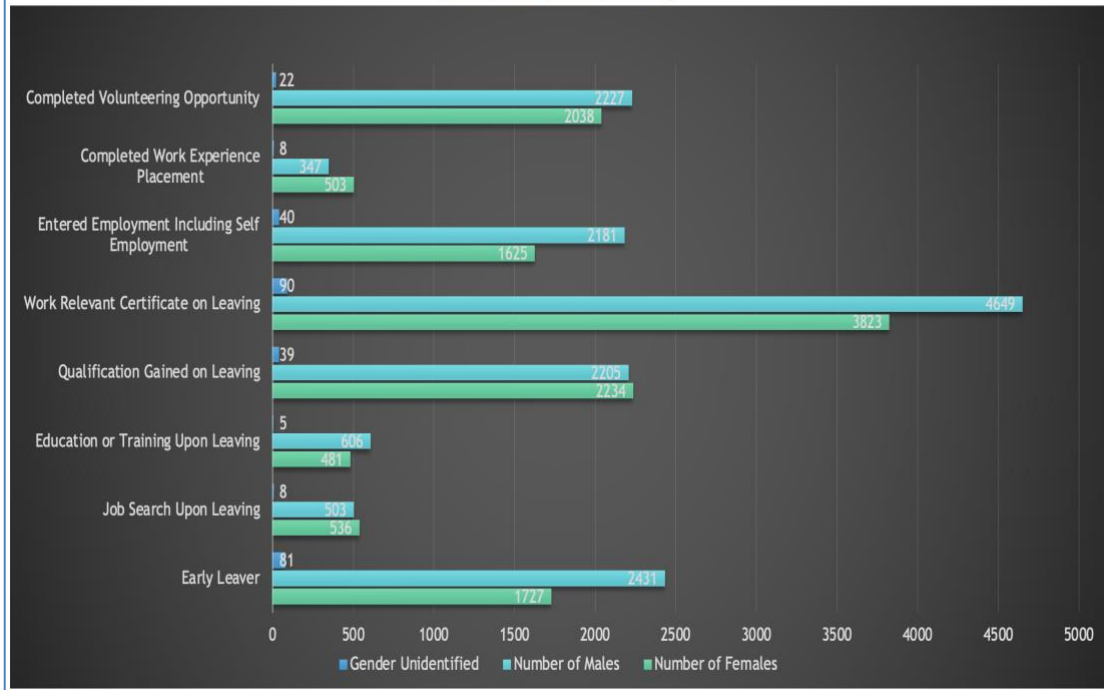


Chart 2: Active Inclusion Fund: Participant Exit Outcomes

(Source: WCVA from 23096 Records)



3.13. Many AIF participant work experience placements and subsequent moves into work involved entry-level jobs with the most common categories including catering, retail, construction, care homes, call centres, online retailing, childcare and youth work.

3.14. There was a level of precarity in the jobs achieved, in part because the sectors offering opportunities are vulnerable (for example High Street retail opportunities are shrinking) and also because some sectors rely on zero-hour contracts. In short, the availability of local opportunities and the quality of such opportunities was highly variable both for placements and subsequent work.

3.15. However, innovative AIF beneficiaries exemplified how to bring supply and demand together by both supporting small local businesses to grow and take on new staff and by helping AIF participants into those posts. At its best, AIF funded beneficiaries who were effectively networked into local business and able to connect individuals to opportunities or to create pathways into work or volunteering. These were often new (and sometimes micro) local markets or opportunities that were outside the purview of larger mainstream programmes.

3.16. **Soft Skills and Motivation:** the AIF model recognised that helping participants to improve softer skills and supporting psychological wellbeing and resilience are core for many people in successfully moving towards and into employment as well as into healthier and more fulfilling lifestyles. Section 3.6 of the main report contains a more analysis. Chart 3 below is an illustration extracted from an analysis of participant self-assessments of various aspects of ‘softer’ skills.

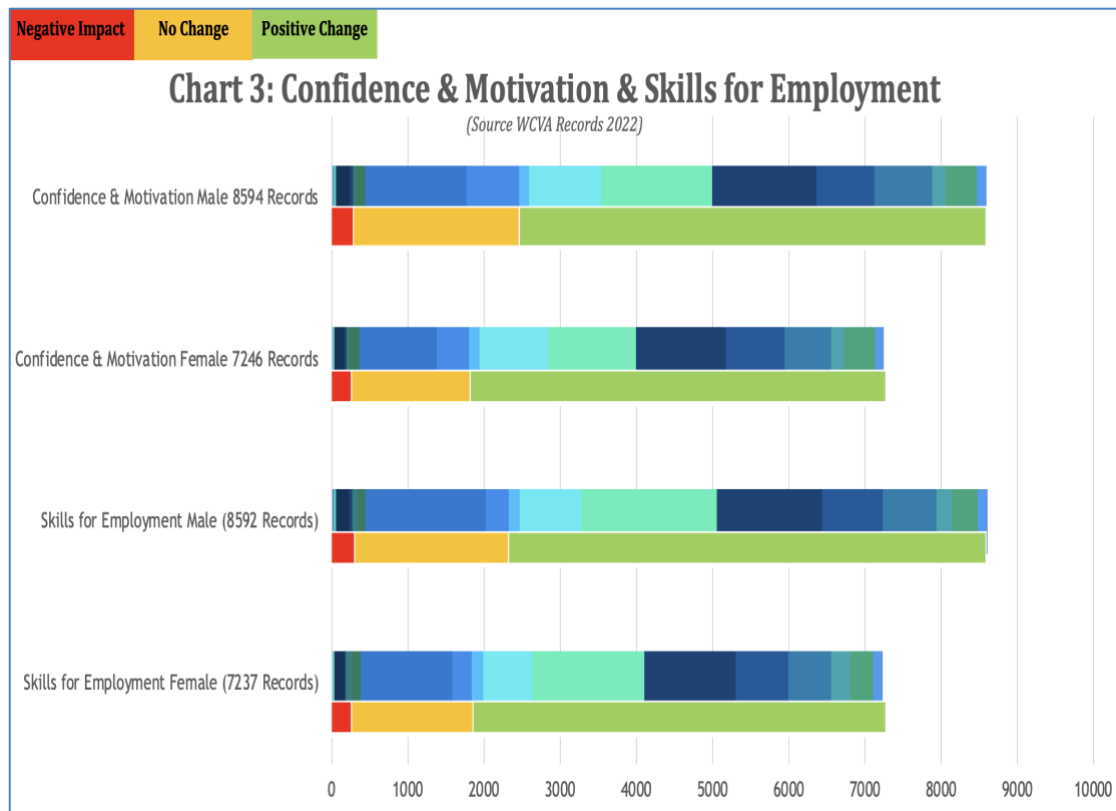


Chart explanation: all participants were asked to rate their perceived 'state' on a scale of 1 to 5 against a series of questions (with 1 always low and 5 high) before receiving support and then again on completion of their support. The top blue / green bar involves all 25 potential results, and the lower bar simplifies presentation with a red / amber / green colour coding: red recording any decrease, amber showing no change and green showing a positive increase on exit from AIF.

4. Social Return on Investment

4.1. The evaluation conducted a Social Return on Investment assessment. A detailed analysis is contained in Section 4 of the main report. The evaluation confirmed the applicability of the methodology to employability initiatives and the availability of robust sources of research to inform the necessary values to apply to an assessment of AIF.

4.2. The AIF assessment applied financial values to selected soft skill outcomes and to validated AIF exit outcomes for all participants engaged by AIF and completing support on or before 31st March 2022 (23,000+ people). These included qualifications achieved, work placements and entry into employment.

4.3. Pessimistic assumptions were applied to the scale and longevity of benefits so that initial AIF impacts were valued at £202.4m and then reduced for deadweight and attribution (5%) and displacement (20%), i.e., allowing for whether AIF was the driver or where the result might have happened anyway, plus an assumed and discounted 60% fall off rate for achievements after two years.

4.4. The ratio of overhead costs to impacts (£151.8 of benefits / costs of £45.0m) gave a ratio of 3.37 i.e., for every £1 spent AIF yielded £3.37 of quantified benefit.

4.5. This ratio is cautious in applying values to what can be evidenced by available data. The true value could be higher because data is not available to quantify aspects such as sustained volunteering post AIF participation, benefits to families, to communities or the longer-term benefits for participants. It is also within the range of other assessments examined.

5. AIF Within the Wider Welsh Policy and Programme Landscape

5.1. AIF operated within a complex policy and programme landscape that operated at multiple levels from the local through to the national. There were programme overlaps in terms of stated aims with both examples of effective collaboration across organisations and programmes, and occasions where programmes seemed to work less harmoniously or competed.

5.2. Multiple programmes operating with broadly similar objectives in the same territory is not *necessarily* bad provided operational boundaries are clear and necessary co-operation is achieved. Employability, welfare, and wellbeing objectives address diverse groups in equally diverse circumstances. Therefore, multiple sources of support can be beneficial if they bring complementary skills, expertise, and knowledge.

5.3. In practice, few projects were pan Wales in the way that AIF was and fewer specifically identified the 'third sector' as a partner. The post ESF landscape is evolving but with anxiety about how far the third sector will be involved (and funded) to help to support those most challenged in the way that AIF facilitated. AIF built on earlier programmes in engaging the voluntary sector with continuity over a significant period of years and enhanced voluntary sector capacity and expertise, including in working with the most marginalised. Programme closure (with no successor in prospect) and wider resource constraints, risk a significant erosion in that capacity and expertise.

5.4. AIF also funded support for targeted individuals and groups whether in or outside the most deprived areas. This wide 'reach' enabled support for people who might otherwise fall through the net. For example, rural disadvantage is typically geographically dispersed and less visible yet no less challenging for the individuals concerned.

5.5. Welsh Government objectives for the foundational economy broadly align with the sectors that AIF participants often tended to work in or aspire to, and where potential opportunities typically lie for people targeted and supported through AIF. The accompanying document '*Opportunities for the Hard to Reach in the Foundational Economy*' provides five illustrative case studies to show how AIF type initiatives can support objectives for both the individuals concerned and for the foundational economy.

6: Contribution to the Well-being of Future Generations (Wales) Act 2015 and ESF Cross Cutting Themes

6.1. AIF was clearly aligned with the objectives of The Well-being of Future Generations (Wales) Act 2015 given that poverty and poor life chances correlate with long-term unemployment and economic inactivity. However, demonstrating long term benefits from relatively short-term programmes is challenging given an absence of longitudinal data on how participants and communities fare over time.

6.2. Section 6 in the main report provides a more detailed analysis, however, AIF reached people where poverty and social exclusion were often intrinsic and helped many participants, particularly in blending help to build a belief that circumstances can change for the better with skills to move towards or into work.

6.3. Equal Opportunities and Gender Mainstreaming: AIF supported disadvantaged people at scale including those who were NEET, Black, Asian, or other Minority Ethnic groups, those with learning difficulties or experiencing or emerging from mental health issues. For example:

- a. It addressed challenges for women seeking to return to or enter the labour market with a balance of male to female participants of 55% to 45%, but a ratio of qualifications achieved of 50% / 50%.
- b. Approximately 5.6% of AIF participants self-identified as being from Black, Asian or other Minority Ethnic groups. Welsh Government estimates that 4.9% of the Welsh population is from these group² with evidence that poverty is a particular challenge (e.g., economic inactivity at 27% compared to 23.5% for the white population). AIF support resulted in broadly positive results for females and males and more females engaged than males (551 to 496).

6.4. Contribution to Sustainable Development: the focus of AIF was on acquiring necessary life skills and practical work-oriented training and placements. Sustainability is a meta objective but was not defined specifically in terms of award requirements. In practice most beneficiaries were committed to sustainability which was manifest in diverse organisational behaviours and policies with some incorporating it as a core element in their participant offer.

6.5. Language Preferences: a separate paper *'Fostering the Use of Welsh: Lessons from the Active Inclusion Fund'* develops this theme. A small proportion of AIF participants opted to use Welsh as a first language (2%), however this does not capture the extent to which the Welsh language was the medium of communication informally as opposed to use in documentation and official processes. This dichotomy reflects a wider challenge in Wales with English tending to be accepted as the norm and as a default.

6.6. Beneficiaries in strongly Welsh speaking areas viewed Welsh as important as a community language and sometimes a necessity to access employment opportunities, as well as important in engaging vulnerable people who are more

² <https://stats.wales.gov.wales/Catalogue/Equality-and-Diversity/Ethnicity/summaryofeconomicactivityinwales-by-year-ethnicity>

comfortable expressing themselves in Welsh. The document referred to above develops both the reasons for Welsh speaker reluctance in using Welsh language services and factors that foster the use of Welsh. Evaluation findings suggest a wider pan Wales need for a cultural as well as practical shift with more proactive use of Welsh as the default and English as a fallback not the default.

Section 7: Overview: Did AIF Work and Lessons for the Future

7.1. AIF was a successful and flexible element in Welsh employability policy with value in enabling individualised support for people whose needs could not be wholly met by larger institutional approaches. This contribution was enabled by an unusual flexibility to respond to diverse local and individual needs. There was no formula or singular approach.

7.2. In drawing on a diverse range of capable organisations, it developed and sustained a voluntary sector role at scale in organisations who were most familiar with targeted groups and who were able to apply an emotional intelligence to respond to their needs. These organisations were often small, dedicated and in some cases, staff had experienced similar circumstances.

7.3. AIF operated at the cusp of employability, welfare, and wellbeing objectives, and therefore blended individual wellbeing, lifestyle, confidence, and soft skills with specific work-related skills. The accompanying document '*Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund*' identifies the characteristics of good programme design and beneficiary performance in this context together with illustrative case studies.

7.4. Lessons and Design Principles for the Future:

Design Principle 1: systems should provide longer term and consistent engagement with participants and improved inter-organizational co-operation and data sharing: staccato and uncoordinated interventions by multiple organisations are not a recipe for success.

Design Principle 2: sustain continuity of participant contact and support for as long as it is needed. This includes a need for *mentoring or personal support* to help people to move through the necessary stages with a *trusted individual or organisation* on hand to help if barriers arise.

Design Principle 3: adopt and embed systemic approaches to inter-organisational referrals, e.g., through general practices, job centres, social services, local authority economic development departments and schools.

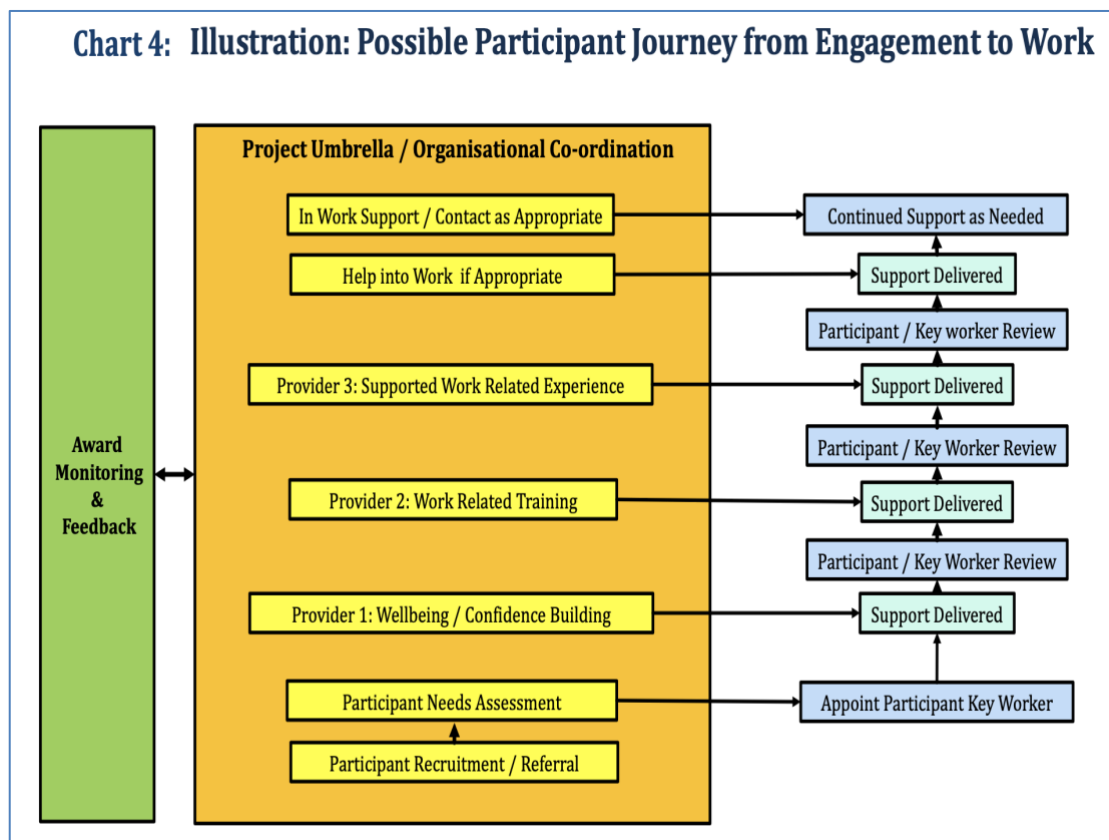
Design Principle 4: when supporting those facing the most severe challenges, embed collaborative triage processes for initiating participant engagement, and in planning and delivering longer term support for individuals to involve key organisations who need to be engaged to plan pathways of support and appropriate mentoring and help.

Design Principle 5: support should be tailored to individual needs: ‘hard to reach’ people typically have multiple needs and barriers to their engagement so effective support needs trust and to be understanding, responsive and sensitive.

Design Principle 6: support should combine help to overcome barriers and provide soft skills as an equal focus to specific employability help.

Design Principle 7: interventions need to be a good ‘fit’ for participants who may find traditional approaches to training or support off putting:

7.5. Chart 4 below illustrates how this might work.



Design Principle 8: data sharing should be integral to programme design.

Design Principle 9: apply consistent funding / match funding requirements across geographies. Differential funding between localities is generally undesirable: the existence and needs of people needing support are paramount.

Design Principle 10: clear programme targets are essential but should place weight on the quality of outputs and outcomes and be realistic: targeting those in challenging circumstances is incompatible with overly precise numerical targets at local level or to overly precise timetabling.

Design Principle 11: separate strategic direction from operational oversight to ensure capacity to guide if key outputs and outcomes are not being met without the distraction of operational fine detail.

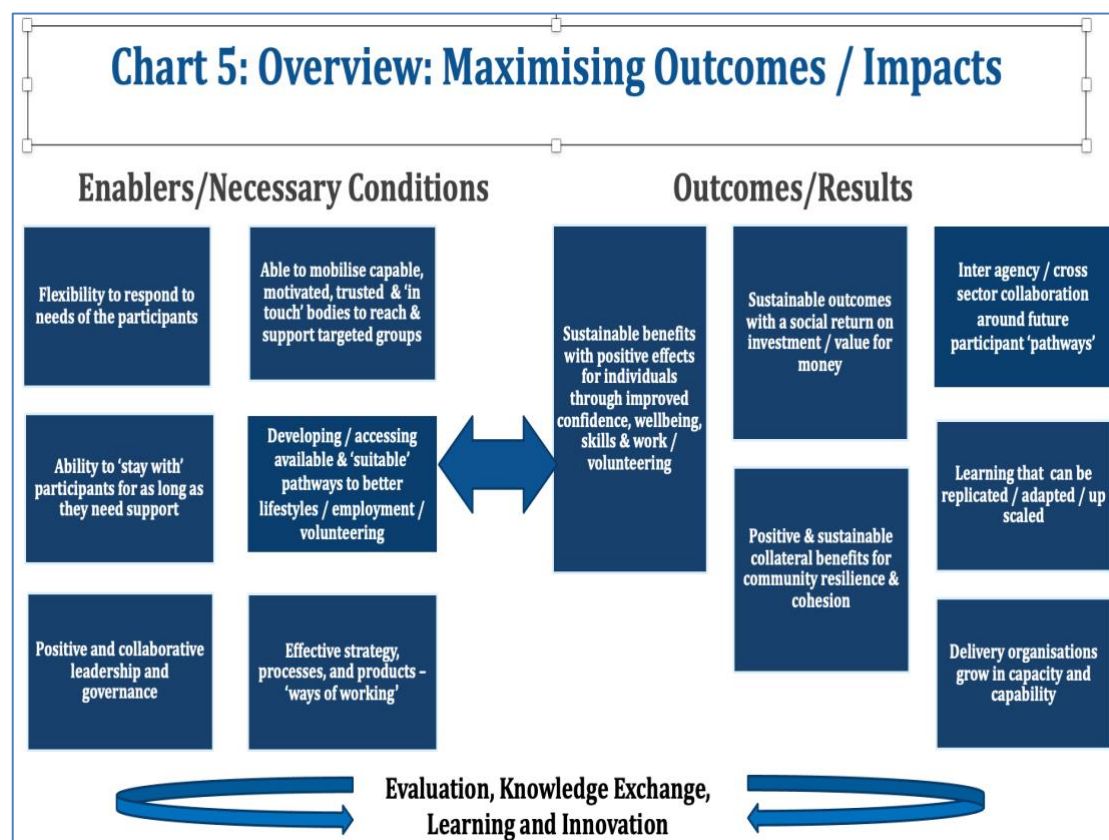
Design Principle 12: evaluation arrangements should provide for post project tracking of participant outcomes, ideally for up to 2 – 3 years.

Design Principle 13: in addition to administrative functions, project data systems should place equal priority on monitoring outcomes to enable impact evaluation.

Design Principle 14: establish training, networking, and knowledge exchange for those providing support to share learning, consider what works and good practice.

Design Principle 15: ensure that administrative systems provide appropriate accountability but are proportionate to grant award levels.

7.6. Another lens to look at programme design that incorporates the essence of learning from the evaluation is shown below. This identifies key enablers and conditions to achieve success and the key outcomes and impacts.



AIF participant subsequently employed by the beneficiary body who supported her: *"It's been fantastic for me, and I genuinely mean that, it's been a wonderful experience and even now, I can't wait to get up in the morning and see people...It's such a shame it's not going to continue and sad, quite emotional for me. If you go on to an AIF Project like I did and grab it by the scruff of the neck and get everything you can out of it, it absolutely works, it really does"*