



# WCVA Active Inclusion Fund Evaluation

## Final Report

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September 2022

# WCVA Active Inclusion Fund Evaluation: Final Report

## Purpose

1. This report presents findings and conclusions from an evaluation of the EU Funded and Wales Council for Voluntary Action (WCVA) delivered Active Inclusion Fund (AIF). The Programme supported people who experienced profound challenges to help them move towards work, to provide work experience and, for those who are ready, help into longer term employment.

2. The report draws together evaluation findings from all three phases of AIF and spans a period from December 2016 to September 2022. Previous published reports include:

- a. A summary report covering the evaluation of phases 1 and 2 of AIF published in Spring 2020: <https://wcva.cymru/wp-content/uploads/2020/05/WCVA-AIF-Phase-1-2-Final-Report-20200221-V8.pdf>
- b. An executive summary of the interim report for phase 3 published in September 2021: <https://wcva.cymru/wp-content/uploads/2021/09/WCVA-AIF-Evaluation-Phase-3-Interim-Report-Executive-Summary.pdf>

3. Overall, the evaluation brief for all phases required an examination of AIF performance in meeting set aims and objectives with particular emphasis on what works. Latterly, the brief extended to garner learning to inform future policy and programmes addressing employability and accompanying welfare and wellbeing objectives in supporting 'hard to reach' groups and individuals towards or into work or volunteering: people aptly described as 'the seldom heard' at a WCVA Economic Inactivity Panel meeting.

4. We are very grateful to colleagues at WCVA, Welsh Government, the Evaluation Steering Group and the WCVA Economic Inactivity Panel for their unstinting help and insight, and to the many bodies and individuals who were consistently thoughtful, constructive and who gave generously of their time in interviews, discussions, and workshops to inform this work.

**UKRCS**  
**September 2022**

# Contents

<b>Section 1. Report Structure</b>	4
<b>Section 2. The Evaluation Context, Brief and Approach</b>	5
2.1. AIF: Context	5
2.2. The Evaluation Brief	6
2.3. Methodology	7
<b>Section 3. Findings</b>	8
3.1. Introduction	8
3.2. AIF Performance: Targets and Administration	9
3.3. Performance Against Finance and Indicators	11
3.4. COVID 19: Impacts and Learning	13
3.5. Did AIF Reach Target Groups?	16
3.6 AIF Impacts	19
<b>Section 4. Social Return on Investment</b>	32
4.1. Context and Applicability to /employability Policy and Programmes	32
4.2. AIF SROI Assessment Building Blocks	34
4.3. SROI Assessment	39
<b>Section 5: The Policy and Programme Context for AIF</b>	40
5.1. The Policy and Programme Landscape	40
5.2. The Emerging Policy & Programme Landscape	41
5.3. Trends in Wales	44
5.4. The Foundational Economy: The 'Everyday Economy'	48
5.5. Change and Opportunities	49
<b>Section 6: How AIF contributed to the Objectives of the Well-being of Future Generations (Wales) Act 2015 &amp; ESF Cross Cutting Themes</b>	52
6.1. The Act	52
6.2. Cross Cutting Themes	56
6.3. Sustainable Development & Awareness Raising in Education and Training	62
6.4. How Language Preferences were Identified and Met	64
<b>Section 7: Overview: Did AIF Work and Lessons for the Future?</b>	67
7.1. Overview: Did AIF Work?	67
7.2. Lessons and Design Principles for the Future	72
<b>Annex 1: The Programme Landscape During the Period that AIF was Operative</b>	76

# WCVA Active Inclusion Fund Evaluation: Final Report

## Section 1. Report Structure

1.1. This report draws together findings from an evaluation of all three phases of the Wales Council for Voluntary Action (WCVA) Active Inclusion Fund (AIF) which ran from December 2016 to September 2022. The report provides:

- a) A summary of the context for the Active Inclusion Fund (AIF), key evaluation questions, and the methodology.
- b) Evaluation findings to describe AIF performance and deliverables including COVID 19 impacts and learning.
- c) An assessment of Social Return on Investment
- d) An overview of how AIF contributed to and fitted into the wider Welsh employability, wellbeing and welfare policy and programme landscape, and suggestions for opportunities for possible future development.
- e) An assessment of how AIF contributed to the objectives of the Well-being of Future Generations (Wales) Act 2015 and European Social Fund Cross Cutting Themes including the alleviation of poverty, equalities, and sustainable development
- f) An analysis of lessons learned relevant to future policy and programmes that seek to support marginalized people or those in the most challenging circumstances to help them into more rewarding lifestyles and towards or into employment or sustained volunteering.

1.2. Accompanying this report are a set of documents that summarise or develop findings from the evaluation:

- a. An executive summary.
- b. A what works analysis with case studies: *'Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund'*
- c. Case studies on *'Opportunities for the Hard to Reach in the Foundational Economy'* to illustrate how AIF style interventions can contribute to the foundational economy in Wales
- d. A document on the Welsh language: *'Fostering the Use of Welsh: Lessons from the Active Inclusion Fund'*.

- e. Two literature reviews: *‘Welfare, Wellbeing and Employability Interventions for those Furthest from the Labour Market’* and *‘Evidence Review: The Effectiveness of Employability Initiatives’* that explore learning from wider experience in designing and running employability programmes and on bringing together employability, wellbeing, and welfare objectives in programme design.

## **Section 2. The Evaluation Context, Brief and Approach**

### **2.1. AIF: Context**

2.1.1. The Active Inclusion Fund (AIF) was conceived and designed to contribute to addressing longstanding challenges in helping ‘hard to reach’ people in Wales engage or re-engage in the labour market: aptly described by a WCVA Economic Inactivity Panel member as the ‘seldom heard’.

2.1.2. The programme had objectives to help participating individuals move out of poverty and achieve improved life outcomes. When launched in 2015, the context was a continued need for action in Wales to help hardest to reach groups that were proportionally more numerous than the UK average.

2.1.3. AIF has been a flexible and pan Wales element in Welsh employability policy and programmes. It fostered innovation, locally responsive approaches and provided for tailored support for challenged individuals and groups. It engaged a wide range of bodies in providing support, many of which were in the third sector, who brought equally wide-ranging skills and experience in supporting diverse individuals and groups that larger more institutional approaches can find hard to reach or to help.

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

2.1.5. AIF was grounded in a soundly based premise that finding and sustaining suitable employment is a means to help people out of poverty, with benefits for the individual, families, communities, and the Welsh economy more widely (for example, as identified in the evaluation literature review *‘Evidence Review: The Effectiveness of Employability Initiatives’*). This extends to the value of engaging people experiencing challenged circumstances and lifestyles in sustained volunteering: volunteering counted as an AIF outcome.

2.1.6. The evidence demonstrates a correlation between poverty and poor life chances, and long-term unemployment and economic inactivity and therefore that entering suitable employment or longer-term volunteering are a route out of poverty. For example, this was described in the ‘Tackling Poverty Action Plan’ (Welsh Government 2012), and in the subsequent Child Poverty Action Plan, which underlines the importance of supporting parents into employment (Welsh Government 2015).

2.1.7. The goals of the Well-being of Future Generations (Wales) Act 2015 to improve the social, economic, environmental, and cultural well-being of Wales with accompanying obligations on public bodies to focus on the longer-term and to work better together, set a clear strategic context for AIF.

2.1.8. The challenges of addressing long-term unemployment and economic inactivity in adults, and of engaging with young people not in employment, education, or training (NEET) are complex. Public policy in Wales and the UK have - and continue to - apply a wide variety of approaches that include work experience, skills training, employer subsidies, sanctions or incentives through employment services and benefits, job search support and bringing health and work support closer together.

2.1.9. Equally, evidence suggests a positive cost benefit from successful support given the cost of economic inactivity to the economy, society, and the individual. This report identifies AIF impacts and assesses social return on investment.

2.1.10. AIF was launched in 2015 (subsequently labelled phase 1), extended for a phase 2 in 2017 (with targets and the budget reprofiled), and then further extended for a third phase in 2019 (again with targets and budgets reprofiled) which, after a final extension, will close in Spring 2023 (with individual projects finishing in December 2022).

2.1.11. Phase 3 of AIF sustained and developed the overall approach and management arrangements applied in phases 1 and 2. Although changes and adjustments have been made over all three phases in the light of experience, the basic operational and management model remained consistent.

2.1.12. The COVID 19 pandemic inevitably impacted on AIF delivery, and the evaluation examined those impacts and resultant learning from the necessary adaptation.

2.1.13. AIF was one of a significant body of programmes in Wales funded by the European Social Fund (ESF). UK departure from the European Union is an opportunity to review approaches in helping people towards and into work in the context of specific Welsh conditions and needs.

## **2.2. The Evaluation Brief**

2.2.1 The original evaluation brief for phases 1 and 2 was to work interactively with WCVA to ‘continuously analyse progress’ and feedback findings as they arose with a focus on:

- a) Whether the four individual funds within AIF achieved set objectives. Although adopting a consistent approach and process across Wales, AIF accounted for expenditure through 4 individual funds<sup>1</sup> two in East Wales and two in West Wales and the Valleys<sup>2</sup>.

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<sup>1</sup> East Wales Young People Aged 16 – 24, West Wales and the Valleys Young People Aged 16 – 24, East Wales People aged 25 and over and West Wales and the Valleys People Aged 25 and over

<sup>2</sup> East Wales comprises 7 local authorities (Cardiff, Flintshire, Monmouthshire, Newport, Powys,

- b) How far AIF successfully reached target groups and what worked in doing so.
- c) How varying approaches taken by beneficiaries (organisations funded to provide support) affected outcomes: what worked for targeted groups and what was achieved by participants as a result of the support.
- d) How AIF met European Social Fund Cross Cutting Theme aims, objectives and indicators and how it contributed to objectives set out in the Well-being of Future Generations (Wales) Act 2015.
- e) The extent to which the operation integrated Sustainable Development into awareness raising, education and training.

2.2.2. The brief also required working ‘with the operation to develop intervention logic’ as an over-arching framework to inform potential future arrangements targeted to support the ‘hard to reach’ individuals and groups currently supported through AIF.

2.2.3. These core questions were sustained and developed for the evaluation of phase 3 of AIF which added a set of complimentary questions that combined a continued focus on evaluating the current operation with a requirement to offer learning to inform future policy and programme development, and in particular to:

- a. Assess categories of benefit and Social Return on Investment
- b. How the AIF model ‘fitted’ into the context of mainstream employability programmes.
- c. The extent to which AIF was specifically an employability programme or whether interventions addressed the wider barriers and issues that participants faced and therefore bridged employability, welfare, and wellbeing objectives.
- d. Demonstrate ‘what works’ in terms of AIF how beneficiaries engaged and supported participants and to illustrate good practice in matching participants to opportunities.
- e. Identify potential or emergent employment opportunities for groups and individuals currently targeted by AIF including opportunities arising from the development of the foundational economy in Wales.

## 2.3. Methodology

2.3.1. The evaluation adopted a broad mix of quantitative and qualitative approaches, including the use of extensive WCVA data and engaging with participants, delivery organisations and other stakeholders. In summary, the approach involved:

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Wrexham, and Vale of Glamorgan). West Wales comprises 15 local authorities (Blaenau Gwent, Bridgend, Caerphilly, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Isle of Anglesey, Merthyr Tydfil, Neath Port Talbot, Pembrokeshire, Rhondda Cynon Taff, Swansea, and Torfaen)

- a. Desk based review to examine working papers, policy and extensive WCVA and other data.
- b. Face to face interviews, group sessions and observations with participants during phases 1 and 2 (engaging 200+ participants directly).
- c. Interviews and workshops (mainly by telephone or video conferencing technology) across a broad range of stakeholders including WCVA staff, AIF beneficiaries, Welsh Government, wider stakeholders, or those with a relevant perspective on employability, wellbeing and welfare policies and practice. In total over three phases, this amounted to 100+ AIF beneficiaries, 50 stakeholder organisations, Welsh Government, plus the WCVA team at all levels of seniority.
- d. Case studies with further in-depth engagement with AIF beneficiaries, participants, employers, and other stakeholders.
- e. Literature reviews around relevant topics including an early review of research and evaluation findings on employability policy and practice, an examination of the relationship and potential integration of employability, welfare, and wellbeing objectives with reference to those described as 'hard to reach' (see 1.2. above) and the application of Social Return on Investment approaches to employability, welfare, and wellbeing programmes (see Section 4 below).
- f. Two social media routed surveys, one for participants to further explore their experience, and one to further explore AIF beneficiary body experience.
- g. Validation workshops.

## **COVID-19**

2.3.2. Inevitably, the latter stages of the evaluation were impacted by the COVID 19 pandemic. However, the evaluation was designed from the outset to adopt a mix of virtual and traditional face to face methods and practices. From 2020, the work substantively had to shift to electronic means to engage people.

2.3.3. It was fortuitous that most evaluation engagement with participants was concluded in phases 1 and 2 as this aspect of the work would have been most challenging if solely conducted by electronic means. Section 3.4 summarises COVID 19 impacts and lessons.

# **Section 3. Findings**

## **3.1. Introduction**

3.1.1. This section provides an overview of findings from the evaluation and develops results set out in previous published evaluation reports.

### **Overview**



3.1.2. AIF has been effective in reaching targeted groups and evaluation evidence demonstrates that it has made a difference across Wales at 'scale' in providing support for over 23,000 individuals since 2016. Once people were engaged with AIF, they consistently benefitted from support provided in a way that is impressive given that the programme has successfully reached people who have – and often continue to – experience challenging circumstances.

3.1.3. Later sections detail the results and impacts in more detail.

## **3.2. AIF Performance: Targets and Administration**

3.2.1. The role of WCVA and AIF was widely recognised by beneficiary bodies as positive and welcome, particularly by the many voluntary sector bodies funded by AIF to provide support. This extended to appreciation for the positive role of WCVA staff.

3.2.2. The key challenge identified throughout the evaluation (which this evaluation endorses) revolved around consistent beneficiary frustrations about the nature and demanding requirements arising from AIF processes. These were of necessity designed to comply with European Funding stipulations. In most cases these requirements were prima facie logical and some in the longer term beneficial for the individual, but sometimes they created genuine challenges when applied to participants who might be vulnerable, suspicious of authority or unfamiliar with official processes.

3.2.3. These challenges are not unique to AIF, and, for example, the 2013 Guilford report (focused on Welsh experience) highlighted them as issues endemic to European Structural Fund programmes and operation<sup>3</sup>. In short, important Welsh objectives and opportunities arising from EU funding were potentially being frustrated by administrative complexity.

3.2.4. AIF closes in Spring 2023. This report therefore does not provide a detailed retrospective analysis of past operational issues except where they have relevant lessons for a post Brexit future. Previous published evaluation reports provide more analysis of past challenges.

3.2.5. A key lesson is that good programme design should of necessity and good practice provide appropriate accountabilities and controls but should apply systems that are proportionate to the level of grant awards made and as far as possible tailored to the needs of client groups. AIF awards were typically modest averaging £58,700 for phases one and two. The Guilford report echoes this conclusion.

3.2.6. Despite the administrative burdens, the evaluation encountered appreciation for the fact that WCVA were responsive and made helpful changes to systems where this was possible and acceptable within the EU funding framework. In the first year of the evaluation, an evaluation team member reported that beneficiary interviews were as much therapy sessions as interviews, yet as the evaluation progressed this level of frustration at least abated albeit that it did not disappear.

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<sup>3</sup> Investing in Growth and Jobs: An Independent Review of Arrangements for Implementation of European Structural Funds Programmes 2014 – 2020, March 2013, Dr Graham Guilford

3.2.7. A second reservation arising from the evaluation is a mismatch between the inherently flexible nature of AIF (which this evaluation endorses as a strong and positive contributor to the success of the programme), and the nature of the targeting framework set for it.

3.2.8. Later sections develop the intervention logic underpinning AIF design however, in essence AIF involves an invitation to deliver one or more AIF objectives without detailed prescription. This highly flexible approach was ‘bookended’ by detailed due diligence processes to assess potential provider capability at the outset, participant eligibility, and then to closely performance manage awards through a detailed step by step project and data management system.

3.2.9. It is entirely appropriate that overall Welsh Government objectives for employability are supported by fine grain data and analysis to describe local conditions (assuming robust available data). However, when applied to specific instruments, they can become less helpful. Overall, AIF was very effective at reaching targeted groups, but programme design was inconsistent with a highly detailed and numerically overly precise breakdown by target group and geographic area, as illustrated by the extract below from an early AIF Business plan.

3.2.10. In this example, it is unclear whether 153 or 155 people supported with low skills in Conwy against a target of 154 would represent failure or over achievement and likewise what status might apply if one person less than targeted was supported in Conwy and one more than targeted in Anglesey. The analysis behind the detailed targets is valuable and may be a guide in steering an initiative over time. However, delivering to this level of precision really requires multiple approaches and interventions (and cross institutional collaboration) when seeking to reach and support those in the most challenged circumstances – and probably overstates the accuracy of available fine grain data in identifying such people.

### Extract from an Early AIF Business Plan

Target group	Local Authority area														Outcomes							
	Blaenau Gwent	Bridgend	Caerphilly	Carmarthenshire	Ceredigion	Conwy	Denbighshire	Gwynedd	Isle of Anglesey	Merthyr Tydfil	Neath Port Talbot	Pembrokeshire	Rhondda Cynon Taf	Swansea	Torfaen	Total Engaged	Part quals	Full accredited qualifications	Further learning	Volunteering	Employment	Positive outcomes
Low skills	144	55	150	182	18	154	177	73	103	196	269	128	646	308	204	2,806	340	982	675	473	275	2,220
S1	144	55	150	182	18	154	177	73	103	196	269	128	646	308	204	2,806	340	982	675	473	275	2,220
S2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WLHC	99	36	80	99	13	94	105	42	40	102	224	81	361	119	185	1,680	208	634	395	394	227	1,368
S1	91	30	72	92	13	78	88	25	33	99	214	81	346	112	179	1,554	208	493	382	335	134	1,242
S2	15	12	17	15	0	33	33	33	13	6	19	0	29	15	12	252	0	141	13	59	94	126
EI Carers	43	8	44	75	4	53	83	17	15	65	86	27	175	36	35	767	72	322	189	109	162	602
S1	40	5	41	73	4	43	73	14	13	63	83	27	169	36	33	718	72	282	189	98	119	553
S2	4	6	6	4	0	19	21	6	4	4	6	0	13	0	4	98	0	40	0	11	43	49
EI 54+	36	20	49	44	7	84	99	44	50	34	63	46	139	90	44	849	85	340	157	329	181	728
S1	28	20	33	35	7	75	89	34	41	27	51	46	129	90	34	740	85	238	147	153	44	619
S2	17	0	31	19	0	19	19	19	19	15	25	0	19	0	19	219	0	101	11	176	137	109
LT BAME	0	0	1	3	0	1	2	0	0	0	3	0	3	51	0	65	15	15	22	8	8	40
S1	0	0	1	3	0	1	2	0	0	0	3	0	3	51	0	65	15	15	22	8	8	40
S2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jobless Households	93	48	85	130	7	120	144	74	95	188	104	85	356	115	95	1,738	160	1,061	334	254	581	1,455
S1	83	35	68	118	7	83	110	41	57	171	87	75	314	90	74	1,414	160	594	314	206	219	1,132
S2	21	25	33	25	0	75	67	67	75	33	33	18	83	50	42	648	0	467	21	47	361	324
Total	415	167	408	534	49	506	609	251	302	586	748	368	1,680	720	563	7,905	880	3,355	1,773	1,566	1,434	6,415
S1	387	145	364	503	49	433	539	188	247	557	706	359	1,608	688	525	7,297	880	2,605	1,728	1,273	799	5,807
S2	56	44	88	63	0	146	140	125	110	58	83	18	144	65	77	1,216	0	750	44	293	635	608

### **3.3. Performance Against Finance and Indicators**

3.3.1. This section should be read in conjunction with Section 3.6 and Section 4 which describe impacts and benefits resulting from AIF. This section records performance against targets set or subsequently re-profiled and is more an analysis of performance against expectations than commentary on achievement.

3.3.2. Overall, AIF was successful at programme level in reaching targeted individuals and groups and successfully operated at scale across Wales.

3.3.3. Despite this, and since launch, AIF targets have been subject to substantial Welsh Government and WCVA review including for phase 3 with increased budgets for three funds and a reduction in that for East Wales 16 - 24.

3.3.4. AIF will continue to run until Spring 2023. The figures in tables 1 to 4 below provide an overview to July 2022 and cover a substantial majority of all investment in AIF although there will be further subsequent spend and outcomes achieved and there are two further reviews scheduled before final closure (both post completion of this evaluation).

3.3.5. The extent of necessary (and pragmatic) reprofiling across the life of the programme was a function of:

- a. Unrealistic timescales for engaging and supporting participants both at programme but also individual beneficiary level. This represented a pragmatic approach to adjust towards more realistic timescales in reaching and supporting people who faced serious challenges and barriers and often lacked linear lifestyles that are more amenable to precise targeting or timescales.
- b. Over optimism in assessing timescales for recruiting participants with consequential delays in providing support, and impacts on participant motivation where, after initial contact, there was a hiatus before the provision of expected support whilst beneficiaries recruited sufficient participants.

3.3.6. The result was also a significant administrative burden. For example, a total of 75 (24%) of 307 AIF projects over phases 1 and 2 were reprofiled at least once and 50 projects (16%) withdrew before completion (8 of which were also subject to earlier reprofiling).

3.3.7. Engaging participants in the East Wales 16 – 24 NEET Fund was particularly challenging. There is no single reason for this, but relevant factors included less people needing support than assessed in some areas, parts of East Wales being relatively affluent and local economies buoyant, those needing help not on the radar of beneficiaries funded to engage them or that people were less obvious in otherwise more affluent localities. Also, a porous border with England (i.e., potentially wider available opportunities) may have contributed. Finally, there were higher beneficiary match funding requirements in East Wales so that they needed to invest more resource to secure an AIF award.

3.3.8. More generically, beneficiary reasons recorded for their challenges include:

- a) Lack of clarity about the local existence (or not) of eligible people and the ability (or not) to recruit and validate sufficient participants.
- b) Instances of inter-organisational competition and / or overlapping programmes in some areas.
- c) Under-estimating the time needed to establish referral arrangements.
- d) Finding participants more challenging to work with than anticipated.

*“WCVA need to map what currently exists...there are far too many programmes. There needs to be more coordination”.*

3.3.9. Despite an element of perceived or real inter-organisational competition, AIF providers sought improved communication and cooperation between them and believed that this would achieve better outcomes. They identified a facilitating role for WCVA.

3.3.10. Overall, none of this detracts from the positive conclusion of this evaluation. It is unsurprising that performance was inconsistent given:

- a. Variable individual beneficiary organisational capacity: a significant number of these bodies were highly capable in their ability to support specific client groups but were small and had modest administrative and staff resources.
- b. The diverse circumstances and accessibility of targeted individuals and groups and the complex nature of their needs.
- c. External factors such as local labour market conditions and opportunities.

3.3.11. The four tables below summarise AIF financial performance against selected key targets by each of the four funds to 31<sup>st</sup> July 2022 (the latest available data for this report in September 2022).

Table 1: Finance & Indicators	80727 AIF West Wales and the Valleys Age 25+		
	Target Number 31/07/2022	Actual 31/07/2022	Variance %
Participants Engaged	12,622	12,622	N/A*
Gaining Qualification / Work Related Certification	6,935	6,935	N/A*
Completing Work Experience Placement or Volunteering Opportunity	2,823	2,823	N/A*
Entering Employed / Self Employment	1,768	1,768	N/A*
Engaged in Job Search	947	947	N/A*
Expenditure (Including Match Funding) £s	£18,762,687	£18,762,687	N/A*

\* Target Figure Reprofiled for 31/07/2022 so no variance data available

Table 2: Finance & Indicators	80728 AIF East Wales Age 25+		
	Target Number 31/07/2022	Actual 31/07/2022	Variance %
Participants Engaged	3,315	3,315	N/A*
Gaining Qualification / Work Related Certification	1,665	1,665	N/A*
Completing Work Experience Placement or Volunteering Opportunity	792	792	N/A*
Entering Employed / Self Employment	350	350	N/A*
Engaged in Job Search	95	95	N/A*
Expenditure £s	£4,256,981	£4,256,981	N/A*

\* Target Figure Reprofiled for 31/07/2022 so no variance data available

Table 3: Finance & Indicators	80743 AIF West Wales and the Valleys Age 16-24		
	Target Number 31/07/2022	Actual 31/07/31	Variance %
Participants Engaged	6,751	6,018	-10.86%
Gaining a Full Accredited Qualification	1,524	981	-35.63%
Entering Education / Training	1,275	966	-24.24%
Entering Employed / Self Employment	1,467	1,512	3.0%
Expenditure £s	£10,842,854	£10,770,652	-0.67%

Table 4: Finance & Indicators	80744 AIF East Wales Age 16-24		
	Target Number 31/07/2022	Actual 31/07/31	Variance %
Participants Engaged	1,062	1,114	4.9%
Gaining a Full Accredited Qualification	209	181	-13.4%
Entering Education / Training	139	165	18.71%
Entering Employed / Self Employment	250	299	19.60%
Expenditure £s	£1,583,218	£1,729,488	8.67%

Source WCVA August 2022

### 3.4. COVID 19: Impacts and Learning

3.4.1. This section summarises findings and learning from overall AIF experience of the COVID 19 pandemic impacts plus that from a specific set of COVID 19 oriented awards.

## Overview

3.4.2. Phase 3 of AIF started in October 2019 with a revised set of profiles for the 4 AIF funds but less than 6 months later COVID 19 struck with highly disruptive effect across Wales and the globe, including on AIF performance.

3.4.3. Given the lack of a modern precedent, there is no 'yard stick' or comparative data to compare performance, however AIF remained operational under very challenging conditions. Intuitively, it is surprising that impacts were not more extreme given both the circumstances of people targeted for support by AIF and the impact on the Welsh economy and society more widely.

3.4.4. Also, whilst individual beneficiary responses varied widely, those that responded effectively to the highly disruptive nature of the pandemic adapted and creatively used it as a trigger for positive change.

3.4.5. Short term impacts included impediments in finding suitable opportunities for providing support (for example, some projects involved group activities or hands on experience in horticulture or environmental improvement) and challenges in finding available jobs or placements for participants.

3.4.6. Equally, given the groups and individuals targeted for support, it was likely that participants would be 'lost', and the evaluation confirmed that this was the case in practice, for example through diminished participant motivation or expectations.

3.4.7. Key to successfully sustaining the AIF Operation were:

- a. WCVA and Welsh Government flexibility in relaxing AIF requirements. Initially, COVID 19 restrictions made delivering AIF administrative requirements challenging even in simplified form for the COVID 19 specific AIF round. However, beneficiaries acknowledged WCVA responsiveness in adapting and simplifying requirements during the COVID outbreak and were very positive about changes made e.g., the introduction of electronic processes such as the use of DocuSign or other electronic signature enablers.
- b. WCVA staff flexibility, communications, and willingness to engage with beneficiaries to help them and understand the challenges from their perspective, something praised by beneficiaries. This extended to online networking events with beneficiaries learning from one another's experiences as well as from WCVA. Evaluation findings suggest that this subsequently encouraged more collaboration between organisations independently.
- c. The resilience, agility, and adaptability of beneficiaries – *or not* - in responding to the dramatically changed circumstances accompanying the pandemic. Some beneficiaries simply stopped activity or substantially curtailed it, others adapted their approach and the nature or way in which they provided participant support. Differences between organisations were stark. Typically, organisations that were resilient, agile, close to their participants and committed were the ones most successful in adapting and successfully sustaining support.

3.4.8. The AIF - and other programme experience out with AIF - suggests *value in third sector learning and knowledge exchange as an opportunity to understand transferable lessons that might be relevant under 'business as usual' conditions, as well as in how to respond successfully to a crisis.*

## **COVID 19: What Worked**

3.4.9. The changes and learning that gave rise to successful provision of participant support revolved around beneficiary organisations that were:

- a. Aware and responsive to the potential impacts of the pandemic on vulnerable people in terms of increased mental health issues including anxiety and stress, and able to address this to reassure, and maintain support and continuity of that support.
- b. Able to successfully sustain this support through virtual means when face to face communication was forbidden or undesirable: virtual contact not only offered continuity and helped sustain participant engagement, but also provided an opportunity for participants to share thoughts and feelings and reduce a sense of isolation during lock down or shielding.
- c. Able to continue to offer face to face (with social distancing) contact with participants when permissible and practical: despite good examples of virtual engagement, face to face communication can be crucial in engaging and building participant confidence, especially in the early stages of support.
- d. Able to apply new ways of working and be flexible whilst continuing to address individual needs rather than offering generalised support, i.e., sustaining a personalised approach to that support.
- e. Able to encourage the use of technology which proved to have a positive impact for some participants (and their families) in establishing and maintaining connections and upskilling them as a significant number were unfamiliar with working virtually. Successful beneficiary organisations actively addressed “digital poverty & literacy”, for example, in sourcing and offering equipment to participants with benefits that are likely to extend beyond the pandemic.

## **Positives From a Challenging Period**

3.4.10. Positive outcomes from the pandemic experience where support was successfully sustained included:

- a. Reassurance and contact with potentially vulnerable people during the often-stressful experience of COVID 19 and particularly, continuity of social connection and interaction

- b. A broader understanding of how to deliver effective support, for example, in incorporating wellbeing as well as specific employability support in the face of particularly challenging personal circumstances.
- c. Gaining insight into living conditions and poverty by virtual engagement with people in their homes with additional consequential benefits in helping people with their wider needs (e.g., accessing food or clothes banks).
- d. The use of virtual engagement as a means to increase participation, for example with families as well as individuals and in some cases enabling participation by people who probably wouldn't engage face to face (e.g., as a result of cultural expectations and norms).
- e. Beneficiaries empowering and supporting participants to engage with society to help others in a time of crisis, for example in one case participants identified a need to offer second-hand school uniforms during AIF support and then self organised to source, wash and iron them before distributing to those in need.
- f. Increased digital awareness and confidence in use including with families using the equipment (not just participants)

## **COVID 19: Longer Term Impacts**

3.4.11. Overall, COVID 19 restrictions drove or accelerated some shifts in how society operates. As society returns to something closer to 'normal', these shifts are still being worked through. However, the AIF experience (and other experience with current programmes involving support for challenged groups and individuals), suggests that one outcome appears to be the adoption of hybrid approaches to engaging with people that integrate some face-to-face approaches with digital approaches and ways of working to a much greater extent than pre-COVID 19.

3.4.12. The 'what works' case studies and analysis (*'Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund'*) identify good beneficiary practice in supporting participation that includes learning from the COVID 19 pandemic.

## **3.5. Did AIF Reach Target Groups?**

3.5.1. Overall, AIF consistently reached targeted 'hard to reach' individuals, with significant benefits for many once they were engaged and validated for eligibility. Most participants consistently reported positive experiences and benefits both for Strand 1 (helping people towards work or volunteering) and Strand 2 (work placements). There were exceptions, but for a programme of this type, scale and considering the targeted groups, that is to be expected given that a significant element of the people engaged were living in or emerging from chaotic lifestyles or difficult circumstances.

3.5.2. Another benefit of AIF was in defining challenging circumstances broadly. Not all participants came from the most socio-economically disadvantaged backgrounds, for

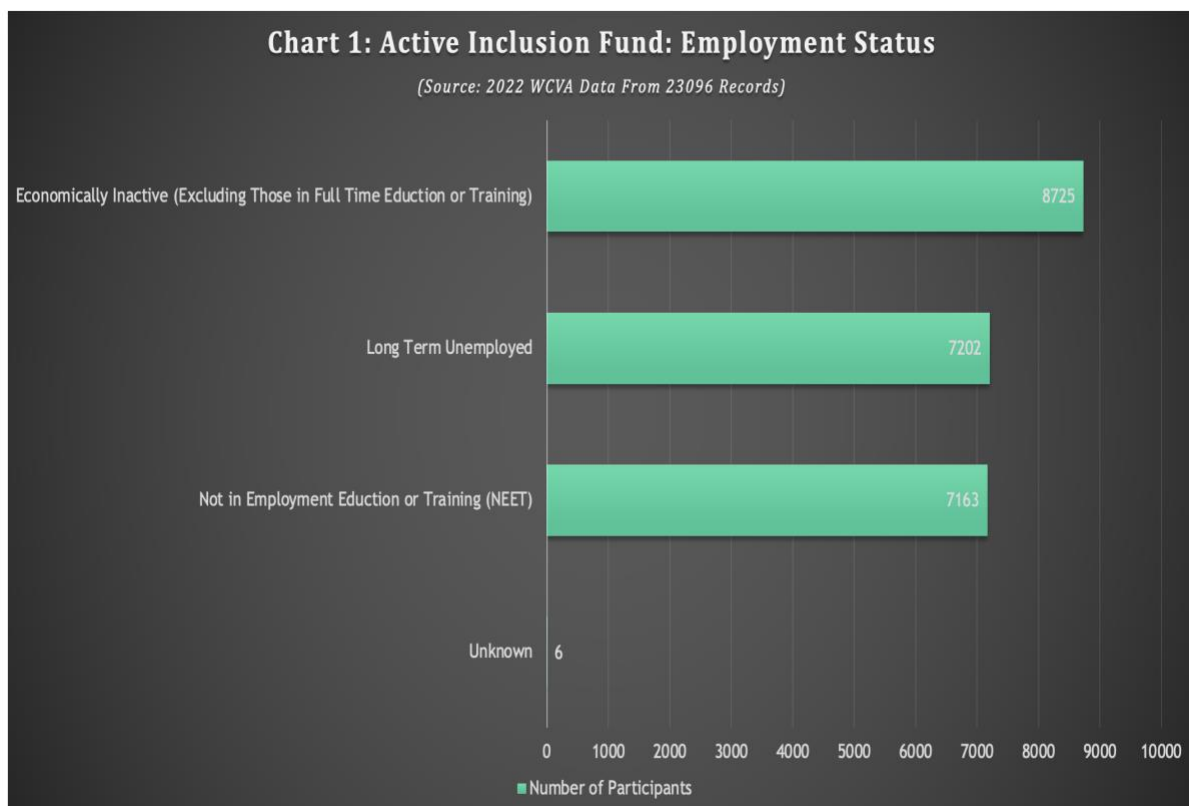


example, one participant previously worked at senior management level, but “burned out”, suffered from depression, and “took to drink” with serious consequences,

3.5.3. Chart 1 below provides a breakdown of the 23096 participants who completed their AIF support by 31<sup>st</sup> March 2022 by the three core employment eligibility criteria applied to all potential participants for them to engage in AIF: they needed to meet one of these.

3.5.4. A more detailed analysis of equalities including gender is contained in Section 6 however the system records that the male / female AIF participant balance was 55% male and 45% female which was a consistent over all 3 phases of the programme.

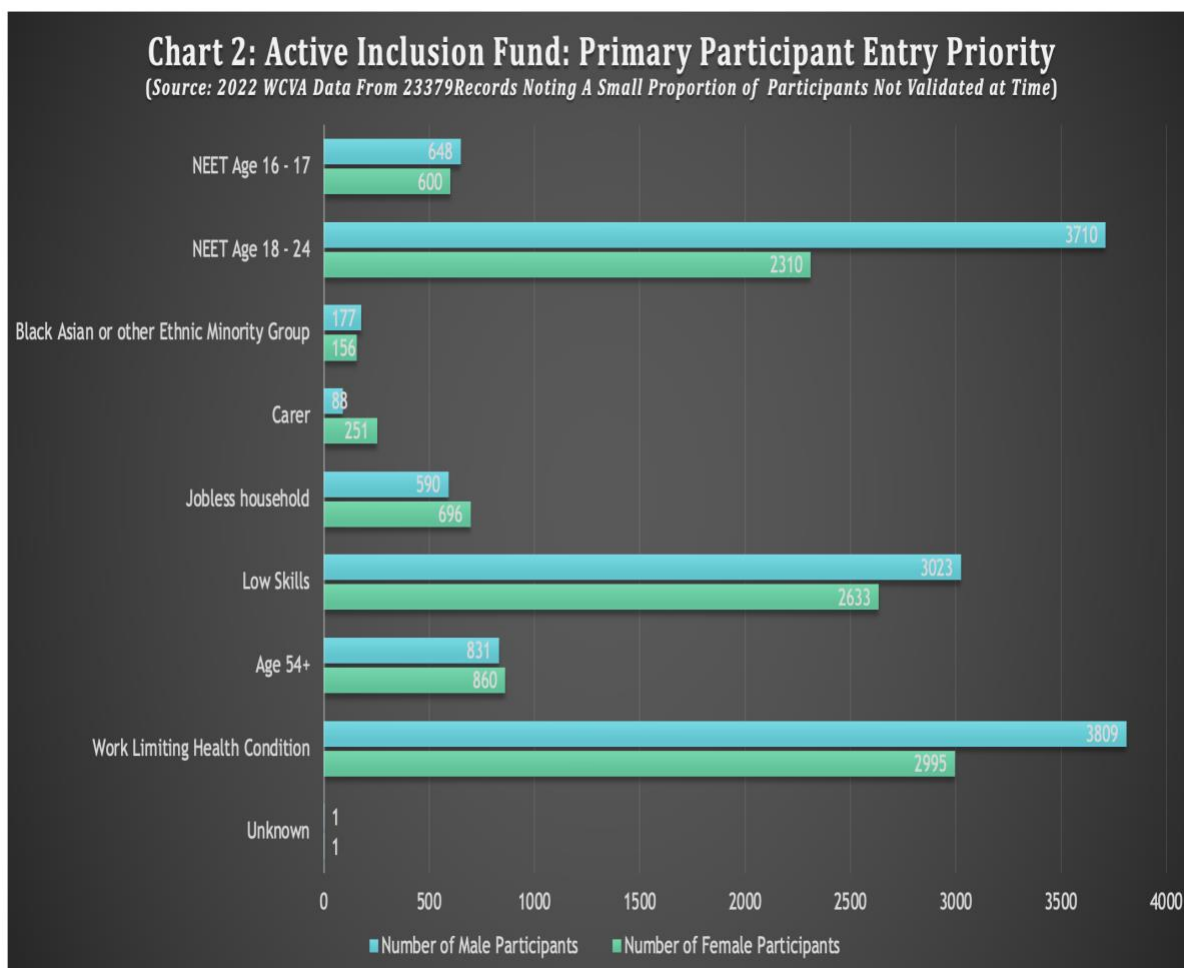
3.5.5. **Please note:** before final programme closure there will be further participants completing AIF who are currently receiving support or who completed after 31<sup>st</sup> March 2022 and do not show in this chart. These will be a relatively small additional total and will not materially change evaluation conclusions.



3.5.6. After applying the above AIF employment status filter, the AIF process then identified whether potential participants met one of a set of specific ‘primary entry priorities’ for eligibility that opened the potential for AIF support. Chart 2 below records these.

3.5.7. **Please note 1:** Chart 2 shows the primary entry priority, in practice many participants fit or experience more than one of these so for example, there are more self-identifying Black Asian and Minority Ethnic people than recorded here (see also Section 6.2.).

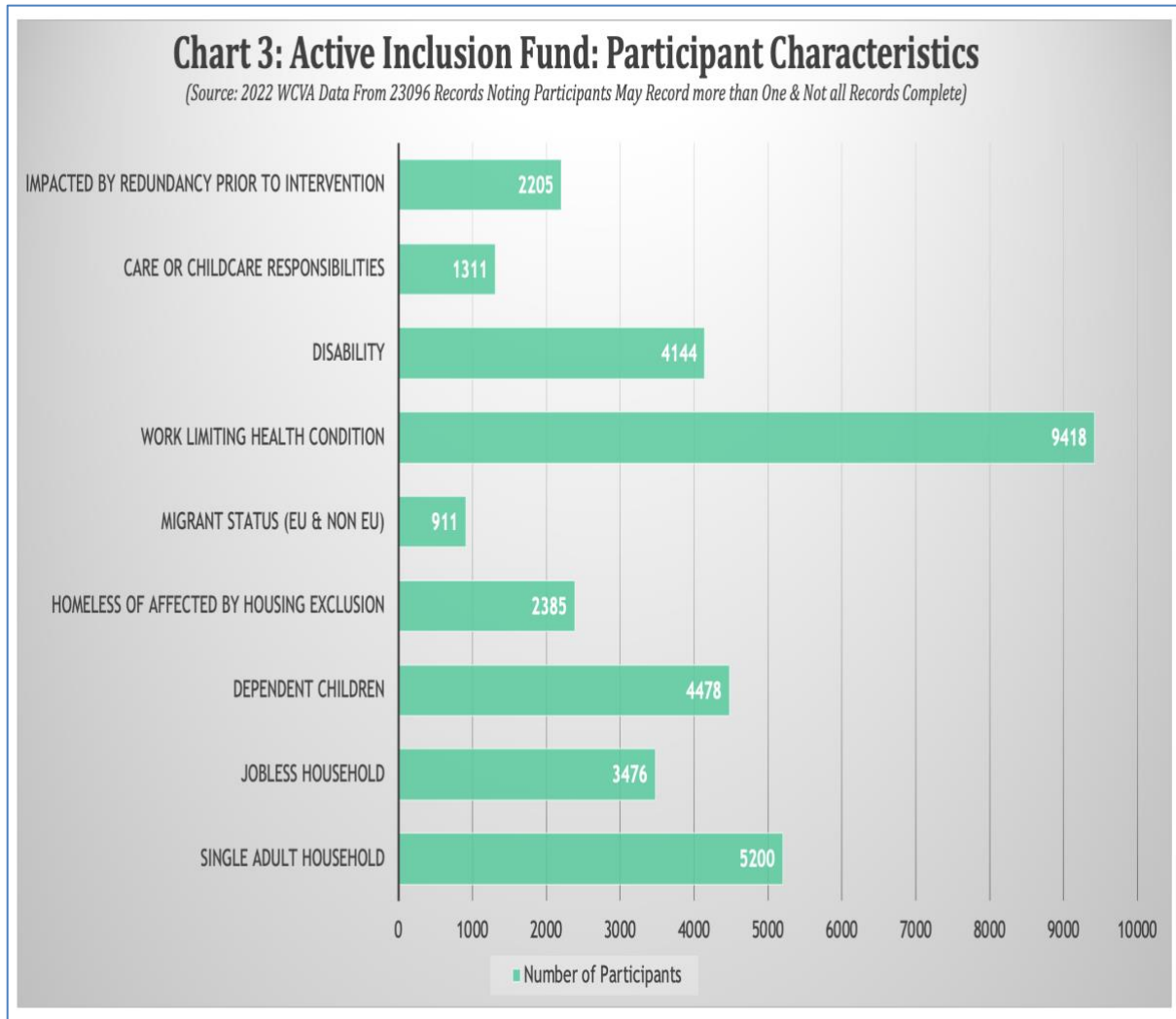
3.5.8. **Please note 2:** Chart 2 includes an additional 283 records for participants who entered AIF before 31<sup>st</sup> March 2022 but did not complete their support by that date.



3.5.9. WCVA data provides another window into the circumstances of participants who received AIF support by recording participant characteristics: these are not core eligibility criteria but provide further evidence to demonstrate that AIF support reached those in challenging circumstances. Chart 3 below shows the pattern where data is available.

3.5.10. **Please note 1:** available data for Chart 3 data is not 100% and participants may record more than one factor.

3.5.11. This data is consistent with evaluation findings from fieldwork in that AIF targeted and reached many people living complex and challenged lives who often experienced multiple issues or challenges that crossed several AIF ‘primary priority criteria’. In addition, their circumstances may have involved mental health conditions such as depression and anxiety and in some cases attempted suicide, substance misuse and addiction, and disability, including learning disabilities.



## 3.6. AIF Impacts

3.6.1. This section explores AIF impacts and draws on the full range of research techniques used and particularly on interviews and field observations with participants and beneficiaries, extensive WCVA data records, and indicative results from a small participant survey.

3.6.2. Overall, once AIF engaged participants, the programme:

- a) Successfully worked with many people in challenging circumstances who often needed substantial investment of time and support over extended timescales to achieve labour market participation.
- b) Had an impressive track record with participant outcomes given the circumstances of the people supported with a body of positive participant narratives that illustrate the many and varied practical challenges that they experience as well as their successes.

- c) Consistent benefits around building and increasing participant self-confidence: at its best, AIF delivered successful combinations of soft and hard skills for participants.
- d) Engaged participants with very diverse characteristics. Some were close to labour market participation, many others not. For example, economic migrants granted asylum may be motivated and ready for work but, for example, need equipping with the basic processes to apply for and take up employment in Wales. However, many other participants were emerging from challenging circumstances and benefitted but were not ready for the more formal requirements that accompany full participation in the workforce any time soon. Lessons from this are explored in Section 7.

3.6.3. However, whilst effective in supporting participants once engaged, participant transitions both into an AIF project and then ensuring that transition out includes necessary and effective future support were more challenging. The 'combined strand' option introduced in phase 2 was a step in the right direction in helping to create pathways for participant progression towards, and then into, the labour market. However, a significant element of the people participating in AIF would have benefitted from a longer term supported pathway towards work. This finding is supported by the evaluation literature review *'Evidence Review: The Effectiveness of Employability Initiatives'* which identifies that generally:

- a. The longer an individual is economically inactive, the more barriers they face to [re]entering the labour market.
- b. The more support they require to achieve employment.
- c. The longer the time need to achieve this.

3.6.4. Another change made in phase 2 is worthy of note: the introduction of mixed age group participation which was broadly successful. For example:

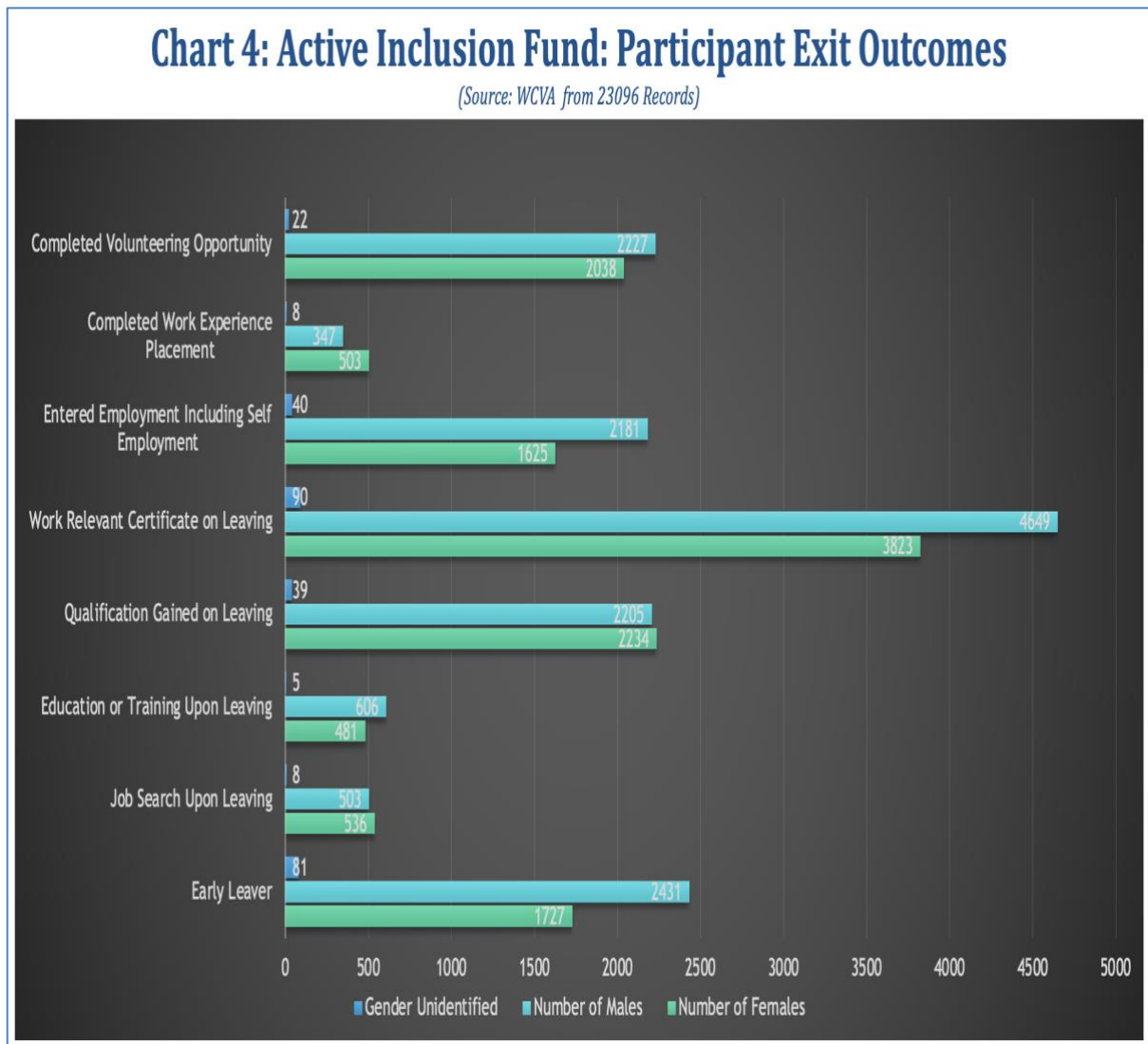
- a. Young mothers may gain insight into childcare from older peers.
- b. Young people can gain insight into work experience from their elders and, for example, can impart information technology help in return.
- c. However, there are occasions where it might be less appropriate, for example, if participants are particularly vulnerable or where there are specific safeguarding issues.

3.6.5. A key data set is a WCVA validated record of 23096 participant exit outcomes by those who completed their AIF support (or left early) on or before 31<sup>st</sup> March 2022. This identifies outcomes against an agreed standard list. The results are shown in Chart 4 below noting that participants may have achieved more than one exit outcome.

3.6.6. The data is shown by female, male and those unidentified at the time this data was extracted. Given a 55% male to 45% female overall ratio for participants, 53% of those

identifying as male achieved at least one exit outcome and 47% of those identifying as females did likewise.

3.6.7. Chart 4 also shows early leavers, i.e., participants who entered AIF but left before completing their scheduled support. In some instances, this was because, for whatever reason, they did not find AIF helpful or circumstances dictated that they needed to stop. However, this category also includes good news stories where participants moved on with an early positive result. Although the evaluation had no directly comparable data, an early exit rate of 18% including a proportion of success stories within that figure is intuitively reasonable and unsurprising.

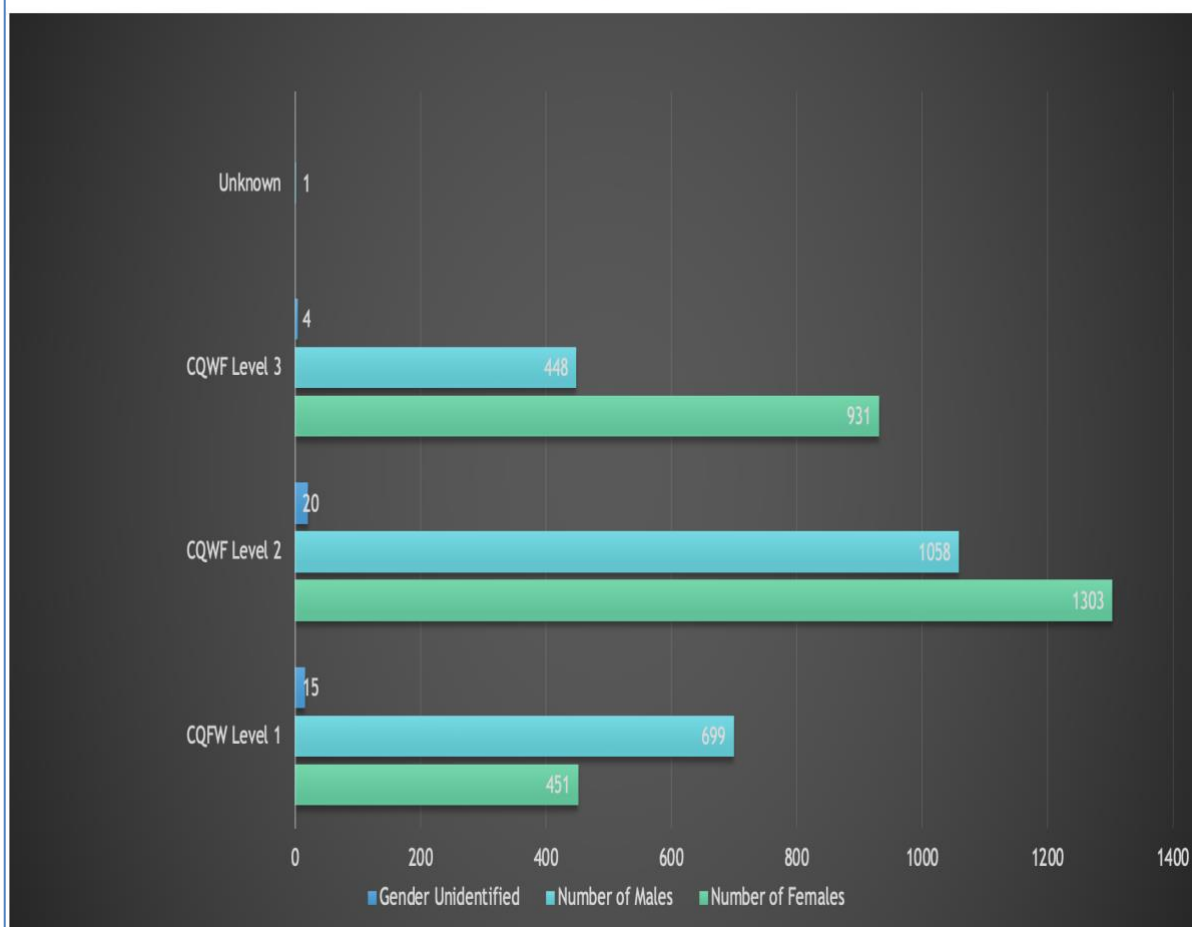


### Qualifications

3.6.8. Chart 5 below shows the range of qualifications achieved as an exit outcome from AIF

## Chart 5: Active Inclusion Fund: Participant Exit Outcomes Qualifications Achieved

(Source: WCVA from 23096 Records)



3.6.9. The Credit and Qualifications Framework Wales is a structured learning framework with all learning described by a series of levels from basic entry level qualifications / essential skills followed by a range of 8 increasingly high-level qualifications with the highest level (8) being doctoral or professional qualifications (such as chartered accountant)<sup>4</sup>. In summary:

- a. A CQFW Level 1 qualification is defined as – or equivalent to – a Welsh Baccalaureate Foundation, vocational qualification, essential skill, or GCSE grade D – G.
- b. A CQFW Level 2 qualification is defined as – or equivalent to – a Welsh Baccalaureate National, vocational qualification, essential skill, GCSE A\* - C or an apprenticeship.
- c. A CQFW Level 3 qualification is defined as – or equivalent to – a Welsh Baccalaureate Advance, vocational qualification, essential skill, AS/A level, Access to Higher Education or an apprenticeship.

<sup>4</sup> More information is available at: <https://gov.wales/credit-and-qualifications-framework-cqfw-overview>

## Soft Skills and Motivation

3.6.10. The evaluation literature review *'Evidence Review: The Effectiveness of Employability Initiatives'* contrasted 'hard' results and 'soft' outcomes in employability policy and practice, and particularly, the importance of developing soft skills as a necessary pre-requisite for sustained participation in the labour market (or successful longer-term volunteering), particularly for those with challenging barriers to employment. The AIF model recognised this.

3.6.11. Some participant needs (particularly those closer to labour market participation) can be met by direct practical support in the acquisition of skills or orienting people to manage officialdom or the processes involved. However, by definition, most 'hard to reach' individuals need help in building confidence or in adjusting after experiencing challenging circumstances, learning relevant behaviours for success in the workplace, or in overcoming what can often be multiple barriers in achieving a more beneficial lifestyle and in moving towards or into employment or volunteering.

3.6.12. The accompanying document *'Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund'* describes good practice in programme design and the provision of support together with illustrative case studies that focus on those who were most challenged.

**Evaluation Observation:** the evaluation observed an interpersonal skills course for a group of AIF participants.

The focus was on stress with participants given the opportunity to consider what the triggers and impacts are, and how they can minimise and develop coping strategies. The course used a variety of tools including presentation, diagrams, video etc. to maintain engagement. All participants had workbooks to complete to record thoughts and outcomes as a means of empowerment. All participants left with coping strategies drawn from the session, which they had considered and were keen to adopt.

The officer was sensitive to individual needs, allowed time for participants to share thoughts and experiences, and offered sympathy and encouragement throughout the session: some participants had experienced traumatic events and it was clear that she had developed trusting relationships with them and created a safe environment for participants to talk freely amongst themselves.

3.6.13. Evaluation findings draw on participant and beneficiary interviews and observations of AIF in action, and analysis of WCVA data and demonstrate that AIF performed well both in helping participants improve these softer skills and in supporting psychological wellbeing and resilience.

3.6.14. Taken overall, this is a strong indicator of the way in which AIF successfully recognised and acted on the fact that employability objectives are best achieved when combined with measures to support individual wellbeing and welfare needs, and that

support therefore needs to be tailored to the needs of the individual when helping those most challenged.

**Example: Young Single Parents:** AIF participants were given employability training and help with overcoming barriers, then placed and supported to find permanent employment on completion. Participant feedback to evaluators was that they felt more confident and that the placements were successful both in practical terms in offering transferable skills, but also psychologically (for example as single parents, they had an opportunity to interact with other ‘adults’) and crucially, the cost of childcare was funded by the programme.

3.6.15. The following charts provide a summary analysis of WCVA data on participant self-assessments of various aspects of ‘softer’ skills, including improved confidence, motivation, and self-belief. They draw on the 23096 AIF participants who completed AIF (or left early) by 31<sup>st</sup> March 2022 so represent a substantial majority of all participants receiving AIF support.

3.6.16. This is insightful data, albeit that it represents a snapshot in time and must be seen in that light. Many of those supported and helped will not experience a linear trajectory towards a better quality of life or towards or into employment or volunteering and a proportion are likely to suffer ‘knock backs’, relapses, or renewed difficulties.

3.6.17. 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) both before receiving support through AIF and then again on completion of that support. Some questions were universal to all participants, some specific to particular categories as explained below.

3.6.18. Not all records had both a start and end response so the analysis below records only those cases where both a start and end response are available for comparison.

3.6.19. There are 25 combinations for change between start and finish with the most extreme negative drop of 5 (high) to 1 (low) and the most positive increase of 1 (low) to 5 (high) and 23 potential possible permutations in between. To analyse the data required a complex matrix so the following charts provide a simplified means to take an over-view.

3.6.20. Each bar has two elements:

- a. The top blue / green bar involves all 25 options and each green / blue colour shade represents one of the 25 options: the underlying data is available separately but in essence, *most changes were 1, 2, or less likely 3 increments: extreme drops or increases of 4 increments (i.e., 5 to 1 or 1 to 5) were unusual.*
- b. The lower bar simplifies presentation with a red / amber / green colour coding with red recording any decrease, amber showing no change and green showing a positive increase on exit from AIF.



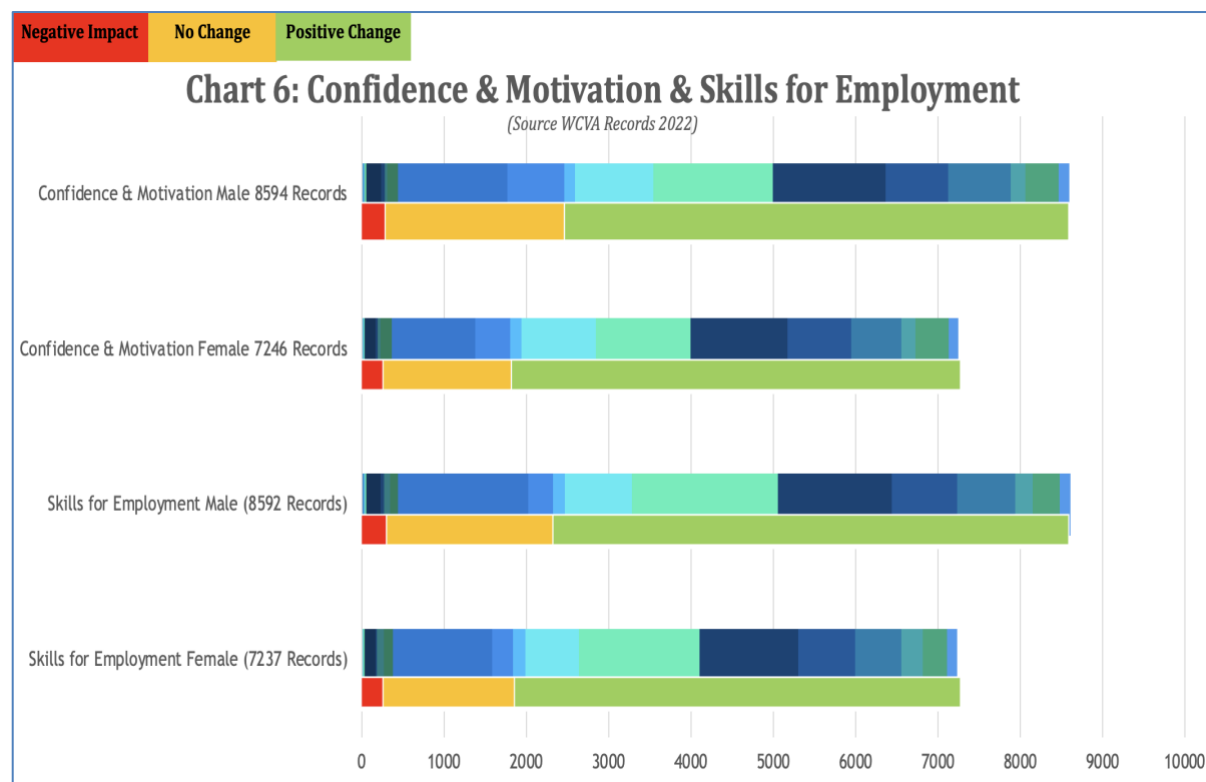


## Chart 6: Confidence & Motivation and Skills for Employment

3.6.21. These questions were asked of all participants completing AIF support. In both cases, and both genders, the proportions of positive responses are impressive with questions focussed as follows.

3.6.22. **Confidence and Motivation** questions ranged from: Score 1 (low): *I have no confidence or motivation and do not believe that there are any sources of support to help me find employment or further learning opportunities* to Score 5 (high): *I am confident and motivated and feel that I am ready for future employment and learning opportunities.*

3.6.23. **Skills for Employment** questions ranged from: Score 1 (low) *I don't believe I have any skills that are relevant and will secure me employment* to Score 5: *I believe I have all the relevant skills I need to secure employment.*



## Chart 7: Job Search & Self Reflection

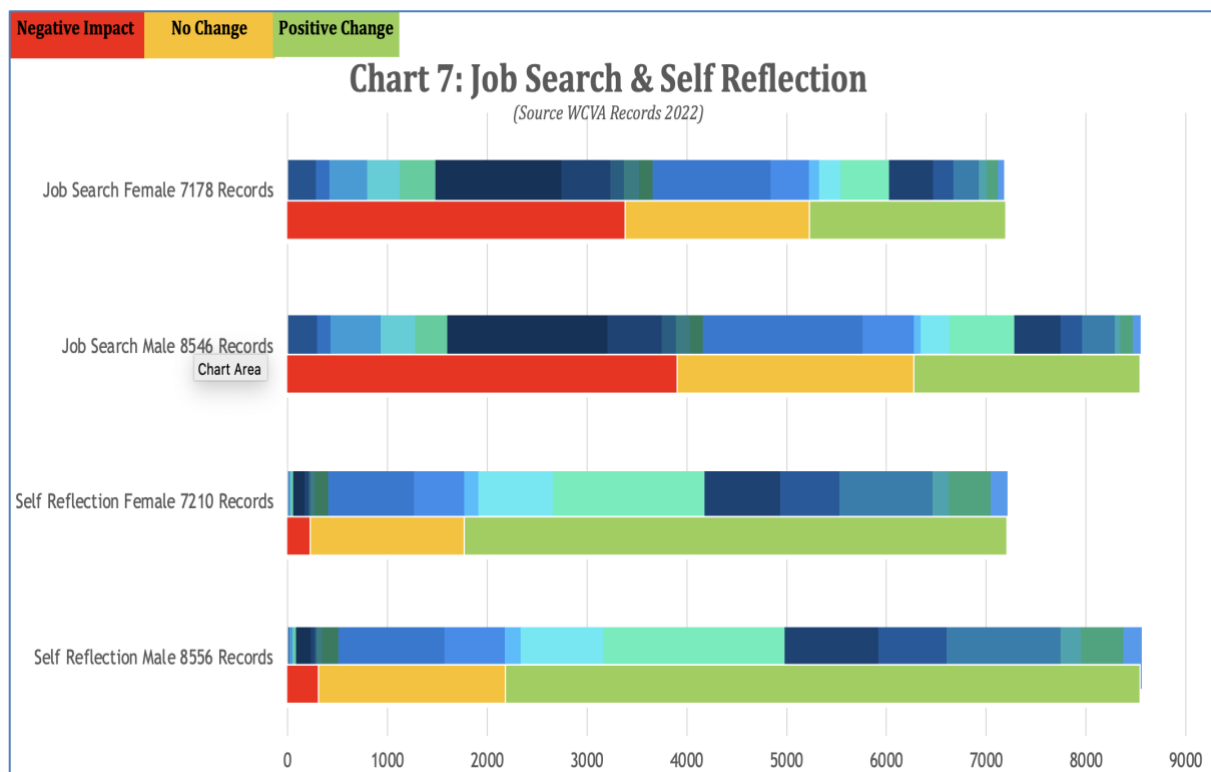
3.6.24. These questions were asked of all participants completing AIF support with a much less positive response from both females and males for job search but a positive picture for self-reflection with questions focussed as follows:

3.6.25. **Job Search** questions ranged from Score 1 (low): *I have no idea where to start in looking for jobs or opportunities* to Score 5 (high) *I am confident in my ability in identifying and applying for appropriate positions.*

3.6.26. **Self-Reflection** questions ranged from Score 1 (low): *I do not feel positive about my future* to Score 5 (high) *I feel positive about my future*.

3.6.27. The job search response is an outlier in relation to other soft skills and motivation questions in that it is much more negative. Explanatory factors include:

- Fear that identifying as job searching may impact on benefits, e.g., for disability.
- That this is consistent with wider evaluation findings with a significant proportion of successful AIF participants remaining some way from immediate labour market participation: AIF successfully reached people in challenging circumstances and helped them, but this is unsurprising (see also section 3.5.).
- Despite labour market opportunities, they may not be local or suitable or that high levels of local unemployment or personal experience and circumstances may have fed low expectations. For example, a consistent finding (reflecting wider employability policy experience) was that where participant family members had never worked, the result was negativity when faced with the reality of finding employment.
- If someone has never applied for a job or experienced setbacks, this may be a first reaction to what is seen as a daunting prospect rather than a longer-term negative response, i.e., a sense of impending reality and challenge given what is often involved in successfully securing employment
- It could be that some of the participants did not go through CV writing, interview role play, job search etc. because they weren't ready, hence feeling less confident



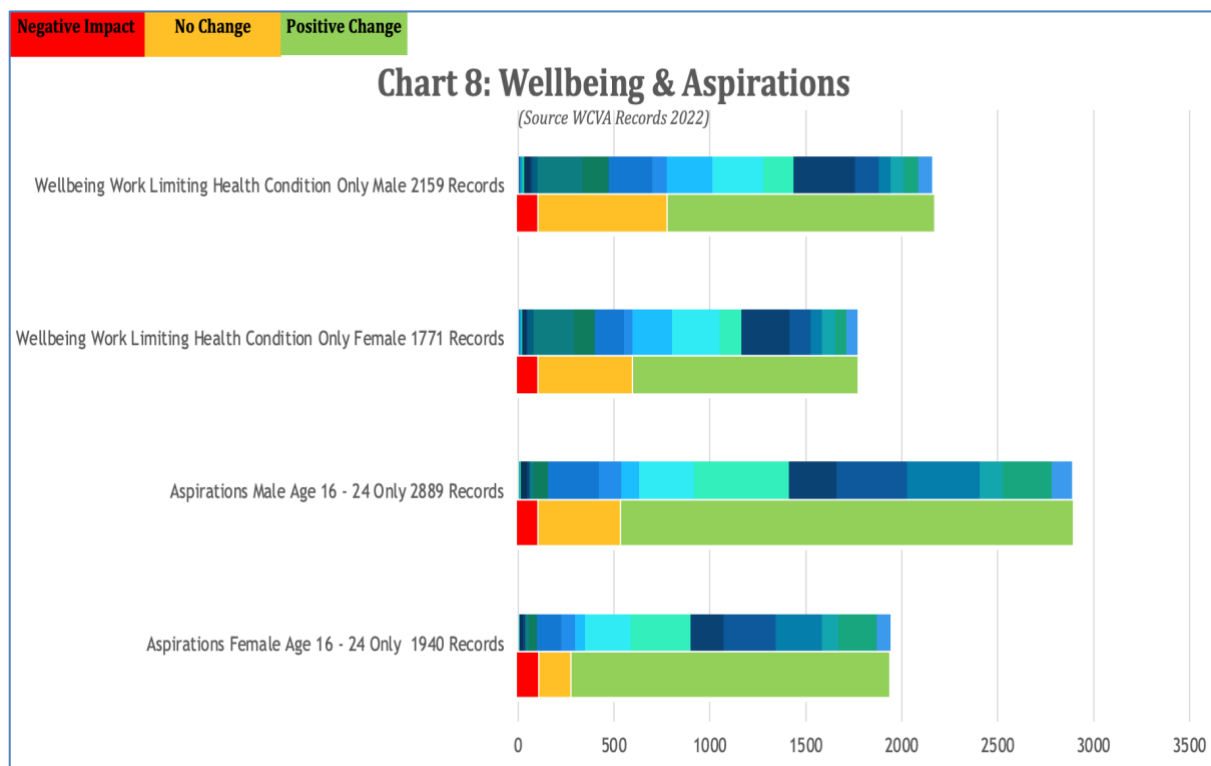
3.6.28. The remaining charts in this section focus on data collected for specific subgroups of participants with particular characteristics or conditions

**Chart 8: Wellbeing for those with a Work Limiting Health Condition and Aspirations for those Aged 16 - 24**

3.6.29. These questions specifically addressed those experiencing a work limiting health condition and those aged 16 – 24 respectively. Both females and males in these categories recorded broadly similar and generally positive results from their AIF experience.

3.6.30. **Wellbeing** questions ranged from Score 1 (low): *I feel my condition limits the employment opportunities I can consider* to Score 5 (high) *I am confident that my condition will not limit my employment opportunities*.

3.6.31. **Aspiration** questions ranged from Score 1 (low): *I do not know what I want to do in the future and have no plans* to Score 5 (high) *I am fully committed to what I want to do in the future and feel that I can now achieve this*.

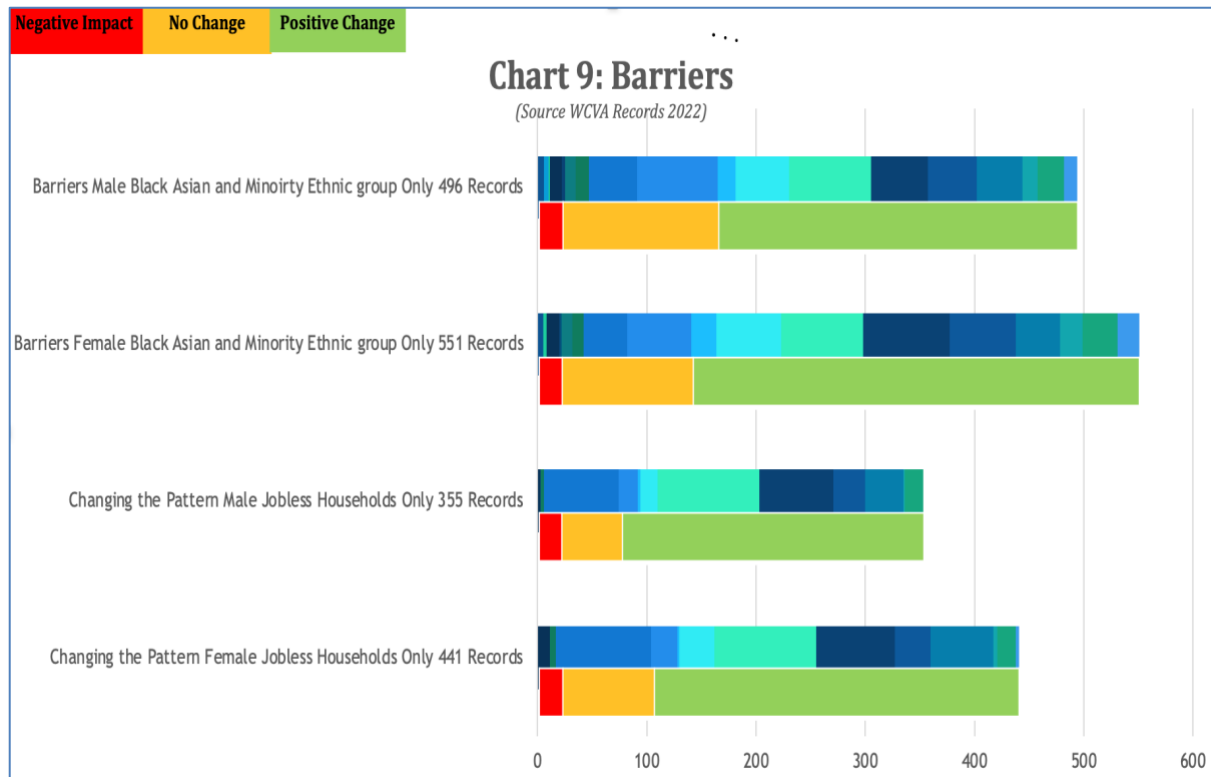


**Chart 9: Barriers for Black Asian and Minority Ethnic Groups and for those aged 54+**

3.6.32. These questions were specifically addressed to those aged over 54 and those from Black Asian and Minority Ethnic groups. Both females and males in these categories recorded broadly similar and generally positive results from their AIF experience.

3.6.33. **Barriers for Black Asian and Ethnic Minority groups:** questions ranged from Score 1 (low): *I feel that my knowledge and skills are out of date for the current job market* to Score 5 (high) *I acknowledge the experience I have would be valued in any workplace.*

3.6.34. **Barriers for those aged 54+ (Changing the Pattern):** questions ranged from Score 1 (low): *I feel that my knowledge and skills are out of date for the current job market* to Score 5 (high) *I acknowledge the experience I have would be valued in any workplace*



An AIF equalities workshop (July 2022) with two beneficiary organisations highlighted the importance of building participant confidence, helping them to develop social skills, addressing mental health, and tailoring to the individual’s problems which could be debt, food poverty, (risk of) homelessness before embarking on the pathway to volunteering or employment. AIF programmes typically offered this support which often needed to be ‘one to one’.

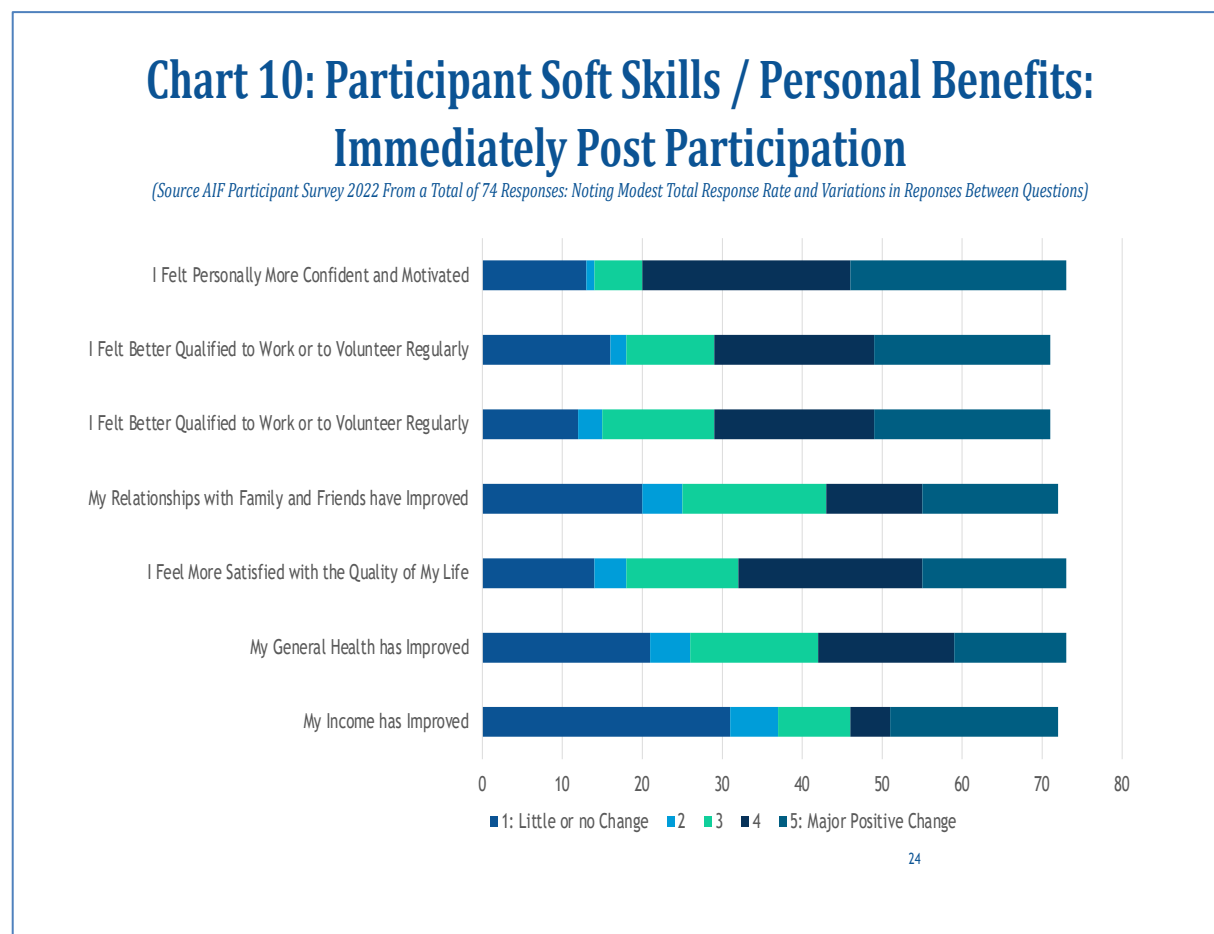
3.6.35. As recorded earlier, these results align with evaluator experience in interviewing and observing AIF participants and engaging with AIF beneficiaries: over the 5+ years of the evaluation we spoke with most AIF beneficiary bodies through interviews, focus groups and workshops. The evaluation also sought to explore participant experience through an online survey conducted in Spring 2022. Unfortunately, despite best efforts by all concerned, the response was disappointing so results can only be regarded as indicative (survey reluctance and fatigue is an increasingly common experience in research).

3.6.36. The survey targeted participants who had completed their AIF support over the full period of the programme to glean some data on how far AIF benefits were sustained

or developed over time after participation. The lack of follow up over time is a common in employability programmes and something confirmed in the evaluation literature review ‘Evidence Review: The Effectiveness of Employability Initiatives’. It is certainly not unique to AIF and there was apparently no provision to fund such activity in the ESF framework.

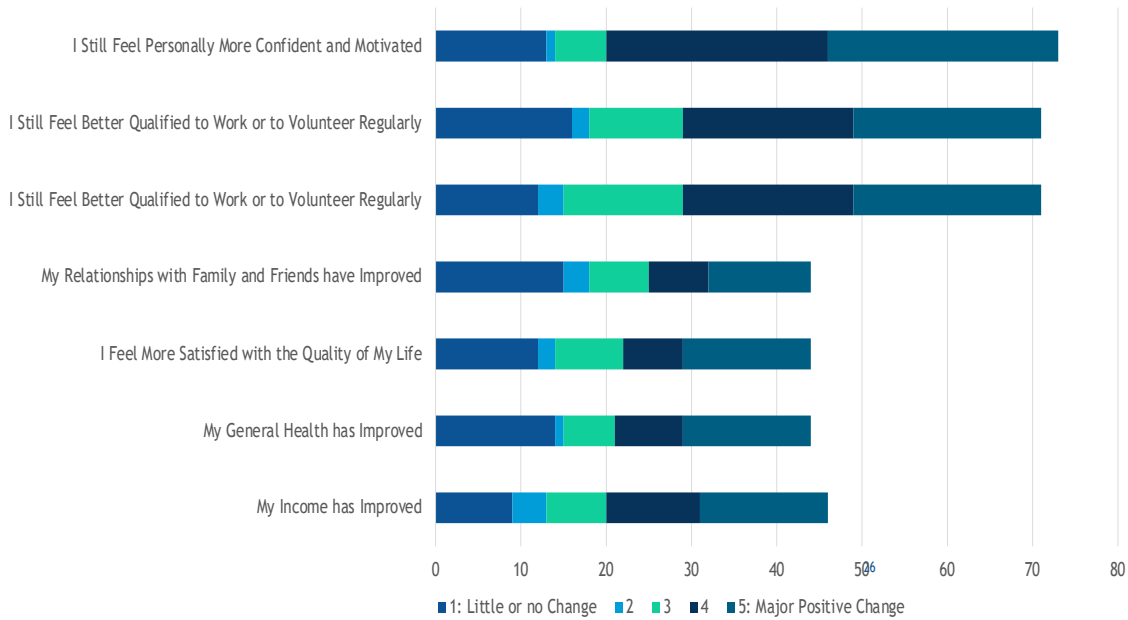
3.6.37. Unfortunately, the modest survey response rate precludes firm conclusions, but Chart 10 and Chart 11 show responses from participants in relation to personal benefits immediately after leaving AIF and a smaller sample where participants left AIF support 12 or more months ago. The Charts show responses on a 5-point scale from 1 (little or no change) to 5 (major change). **Please note:** the questions were designed to explore changes resulting from AIF so a low of 1 does not *necessarily* imply poor personal benefit for the participant and might simply imply a positive start point for that question. For example, an individual might be experiencing good general health pre-AIF participation with no expectation that this would therefore improve as a direct or indirect result of AIF support.

3.6.38. As indicative data, these responses broadly reflect wider – and positive – evaluation findings.



## Chart 11: Participant Soft Skills / Personal Benefits: 12 Months + After Participation

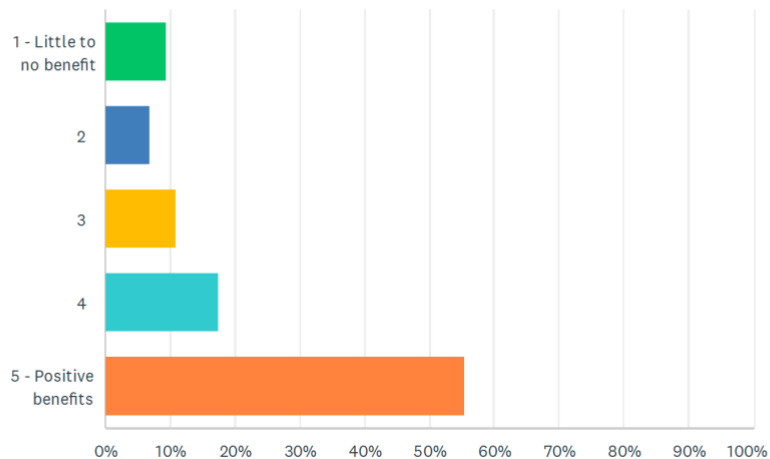
(Source AIF Participant Survey 2022 From a Total of 47 Responses: Noting Modest Total Response Rate and Variations in Responses Between Questions)



3.6.39. The survey also asked about overall participant assessment of AIF benefits again with caveats around a modest response, but results are consistent with wider evaluation findings.

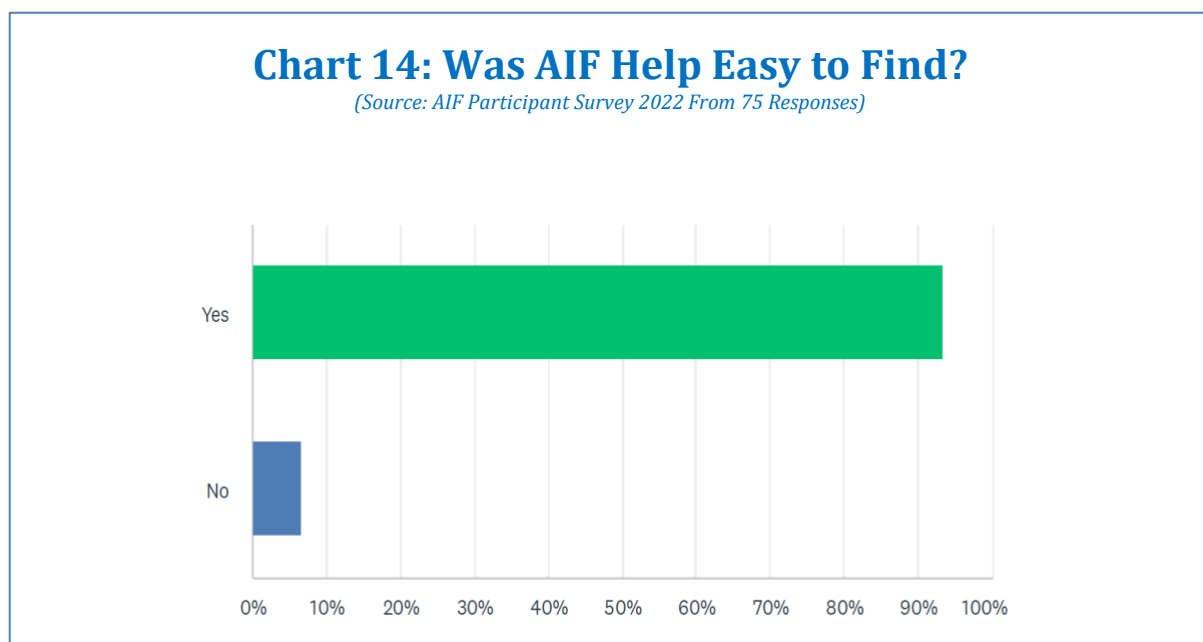
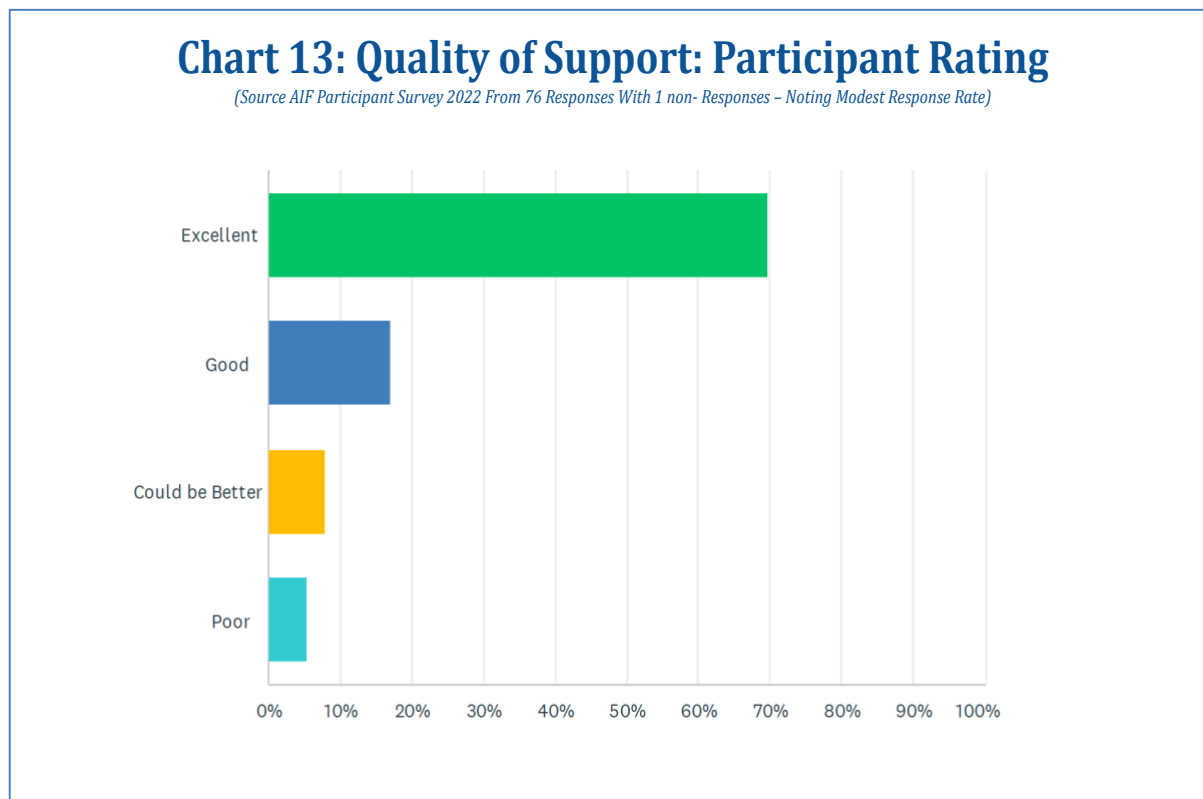
## Chart 12: Overall Participant Assessment of AIF Benefits

(Source AIF Participant Survey 2022 From 74 Responses With 3 Non-Responses - Noting Modest Response Rate)



## The Participant Experience

3.6.40. The 2022 participant survey described above also asked how participants rated their experience and support. The modest response rate means any data is at best indicative, but the results support wider experience gleaned from the evaluation that many participants were positive and often enthusiastic.



## Section 4. Social Return on Investment

### 4.1. Context and Applicability to Employability Policy and Programmes

4.1.1. Social Return on Investment (SROI) assessment methodology draws on welfare economics, sustainability, and financial accounting to provide a structured means to understand impacts at organisational, policy and programme levels. Before embarking on a Social Return on Investment assessment, this evaluation examined the applicability of the methodology to employability initiatives, explored examples of how it has been applied and the availability of robust sources of research to inform the necessary values to apply to an assessment of AIF. SROI:

- a. Is an impact assessment developed from accounting-based approaches to measure the economic value of interventions.
- b. Aims to achieve a 'broader concept of value' to incorporate social, environmental, and economic costs and benefits.
- c. Identifies and measures the social, environmental, and economic effects of a policy intervention and applies monetary values to represent these effects.
- d. Most common in the UK – and adopted for this evaluation - is the Stakeholder-Specific approach that focuses on benefits for stakeholders with assigned values for inputs and outputs presented as a ratio, e.g., £1 invested to £x generated.

4.1.2. Groundwork confirmed that SROI is applicable to employability, welfare, and wellbeing initiatives, that typically assessments where publicly available are focussed on smaller scale and specifically targeted initiatives, and that assessments can be hampered by factors such as a lack of sufficient and quantified data on outcomes including the need for (and frequent lack of) longitudinal data to show what happened to people post support in programmes.

4.1.3. This research also echoed AIF evaluation findings in that soft skills and improved lifestyles are key factors in the alleviation of poverty and in helping people move towards or into employment.

4.1.4. It also confirmed that researched data is available to apply values to some core AIF impacts, including to factors such as soft skills. Assessing such values from 'scratch' was beyond the scope of the AIF evaluation so this availability was important, and the sources identified are those typically used by other relevant UK SROI assessments.

4.1.5. SROI is a relatively young methodology that adopts a systematic approach to:

- a. Establish scope and identify key stakeholders.
- b. Map outcomes, evidence them and establish impacts.



- c. Apply values to calculate SROI applying checks, balances, and a sensitivity analysis.

4.1.6. The checks and balances include an assessment of:

- a. Deadweight: the likelihood that the outcome could have been experienced without the intervention taking place.
- b. Attribution: any proportion of an outcome created by other organisations or individuals that cannot therefore be legitimately claimed by the SROI analysis.
- c. Displacement: the proportion of the outcome that displaced alternative interventions.
- d. Drop Off: outcomes projected for more than one year must consider any drop-off rate i.e., the rate at which initial value or impact reduces over time.

#### 4.1.7. **Challenges are characteristically around**

- a. Some outcomes being difficult to value: in this case we have focused on core AIF outcomes where researched and validated data – and attributable values - are available. This quite likely understates the contribution of AIF but is more robust: for example, a few AIF projects have supported people who have been involved in the criminal justice system. If people do not fall back into the system, the value to the individual and society is very substantial, but we cannot validate how far AIF may have helped such positive outcomes whereas we know how many people achieved a relevant qualification, entered employment or volunteering post AIF participation and the assessment focusses on these.
- b. The need for good quality, available data: calculating the drop off in the value of interventions over time can be methodologically challenging and likewise assessing the counter-factual equally difficult.

4.1.8. Many SROI assessments of employability initiatives focus on the 'hard' employability outcomes achieved, such as entering and sustaining employment but acknowledge softer outcomes be they around improved confidence, improved interpersonal skills or general skills such as the use of IT. This also typically extends to increased independence, strengthened relationships with family, friends and community, volunteering and entering further education and/or training.

4.1.9. **Valuing Outcomes:** despite some inherent subjectivity, there are identifiable commonalities between the SROI employability programme assessments examined as context for this evaluation in terms of where monetary value is generated. Typically, participants and the state gain greatest monetary value others comparatively less so but can still be significant.

4.1.10. A particular finding emerged in that employability interventions that work with clients in vulnerable groups (the homeless, ex-offenders, those suffering from mental ill health, the disabled, those suffering from substance abuse etc.) *tend to generate*

*proportionally greater value in terms of the savings to the State* i.e., ‘deadweight’ in working with vulnerable or hard to reach groups is lower.

## 4.2. AIF SROI Assessment Building Blocks

4.2.1. The basis for this assessment is as follows. The assessment:

- a. Uses audited data for immediate AIF outcomes from 23096 participant records for those who completed AIF engagement (or left early) across the life of AIF to 31<sup>st</sup> March 2022 (see Chart 15 below).
- b. This cut off therefore excludes participants still being supported through AIF projects and any new participants on or after this date, however these additional numbers are modest in comparison to the 23096.
- c. Outcome valuations are assessed against total AIF costs to 31<sup>st</sup> March 2022 with programme grant award costs of £35,800,978 to 31<sup>st</sup> March 2022 (this may include a modest element for participants remaining live rather than finishing their AIF support by 31<sup>st</sup> March 2022) and overhead costs to 31<sup>st</sup> March 2022 of £9,221,340
- d. Total AIF costs applied are therefore rounded to £45,000,000 (note Welsh Government costs of oversight are not available so not included).
- e. Non-funded additional inputs and match funding provided by AIF beneficiaries are not included as these might be argued to indicate programme leverage.

4.2.2. **Please note:** the 2022 AIF participant survey asked longitudinal questions about what happened after 12 months or more post participation, but the sample is insufficient to draw reliable conclusions, so we have instead set out assumptions for the SROI calculation below. Key aspects of the SROI calculation are as follows:

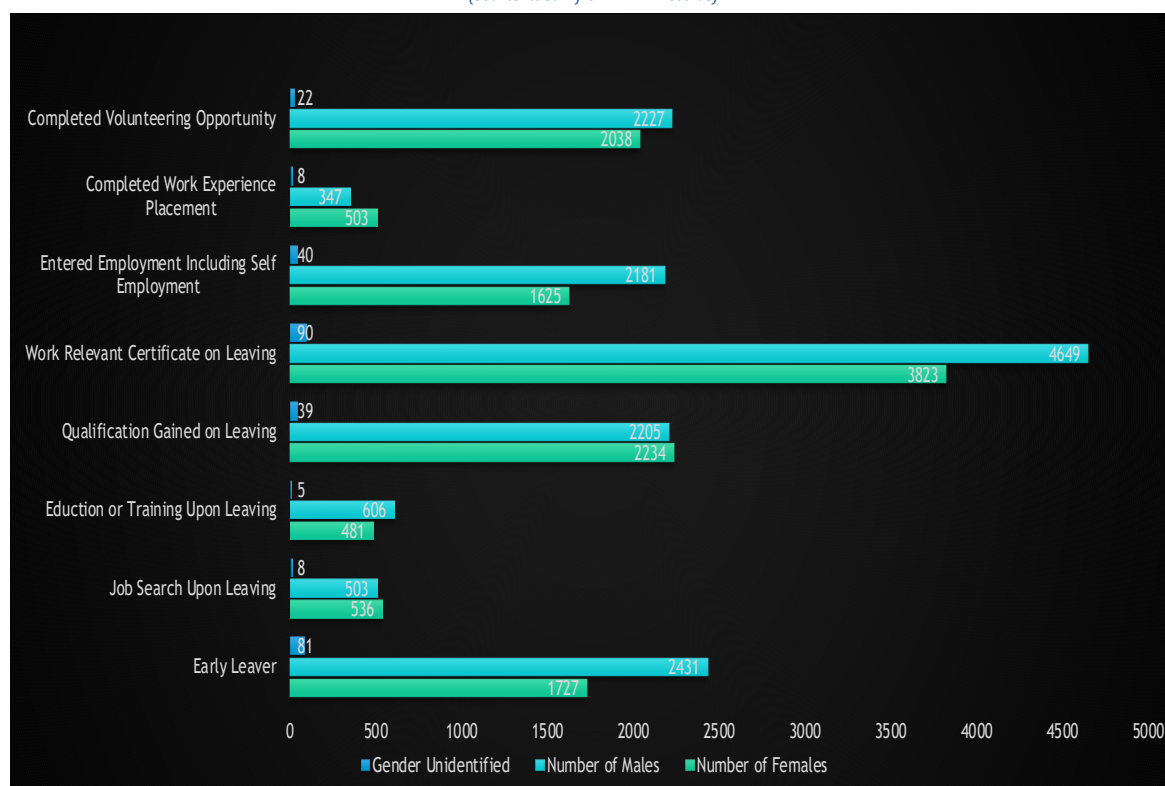
- a. Values are only attached to known and audited positive outcomes from the 23096 AIF participants who completed AIF support (or left early with a result) on or before 31<sup>st</sup> March 2022. The total cost of the AIF operation to March 31<sup>st</sup> 2022 is applied to these values, to calculate the final ratio i.e., this takes into account that an element of total investment did not yield a measurable positive outcome and would therefore depress the final ratio given that the programme (unsurprisingly) did not achieve 100% success in terms of a positive result for all participants.
- b. No further discount is applied to participants who may not have achieved a recorded benefit from AIF on the basis that the reasons for this are diverse. Also, this may not be a negative result if the consequence is someone re-orienting their personal goals or having a reality check about their future.
- c. Soft skills focus on confidence and are valued in four increments (see Section 3.6.10 onward). Full value (100%) is applied to those showing a full 4 increment increase from 1 to 5 with 25% of total value applied for each single upward increment: the figures used are £13,080 (100% or 4 increments for adults) and

£9283 (100% or 4 increments for young people aged 16 – 24). Tables 5 and 6 below provide more detail. Table 7 sets out the full quantities and values applied together with sources.

- d. A second valuation is applied to benefits assumed to be sustained for 2 years in the absence of sufficient or reliable longitudinal data. This is calculated on the basis of a 60% reduction in value from immediate post AIF values of audited outcomes and is a relatively severe assumption (typically 40% might be applied to employability programmes). This is a cautious estimate given that AIF participants are – or have been – subject to challenging circumstances and lives, so a higher fall out rate might be expected.
- e. After adjusting for the 60% reduction described above, the remaining 40% of value is discounted at 3% per year for the 2 years (i.e., multiplied by 0.9426). This is in line with HM Treasury guidance that a higher percentage discount rate should not be applied to cost-benefit calculations where these involve significant wealth transfers from the future to the present (something highlighted in the 2006 Stern Report on the economic impacts of climate change) or more prosaically ‘a stich in time saves nine’.
- f. In addition to WCVA data, two key sources are used to apply values: these are the Housing Associations Charitable Trust (HACT) and Public Health England (PHE) / Quality Adjusted Life Year (QALY)

**Chart 15: Active Inclusion Fund: Participant Exit Outcomes**

*(Source: WCVA from 23096 Records)*



## Table 5: Soft Skills Calculation: Young People

(Source: 23096 AIF Participants of Which 7163 are Aged 16 – 24 & 15927 Are Aged 25+ & 6 Records Unclear)

Score	No of Available Records Showing +ve. Result	% of Available Records Showing Positive Result	Adjusted for Total AIF Pop. (i.e.: 7163) on a Direct Proportional Basis	Value on Leaving AIF (+1 + = 25% of Assessed Value / +4 = 100% of Assessed Value)
+1	2166	40%	2865	£6.7m
+2	1303	24%	1719	£8.0m
+3	476	9%	644	£4.5m
+4	119	2%	143	£1.3m
<b>Total Showing Positive Result</b>	4064	75%	5371	£20.5m
<b>No Positive Result</b>	1297	25%	1792	-
<b>Total AIF Population</b>	<b>Note Available Records are for 5361 Young People Participating in AIF: Total Number of AIF Participants Aged 16 – 24 = 7163</b>			<b>100% = £9283 for Young People Source HACT</b>

## Table 6: Soft Skills Calculation: People Aged 25+

(Source: 23096 AIF Participants of Which 15927 Are Aged 25+ & 7163 are Aged 16 – 24 & 15927 Are Aged 25+ & 6 Records Unclear)

Score	No of Available Records Showing +ve. Result	% of Available Records Showing Positive Result (discounts no change / -ve. result)	Adj for Total AIF Population (15927) on Direct Proportional Basis.	Value on Leaving AIF (+1 + = 25% of Assessed Value / +4 = 100% of Assessed Value)
+1	4486	43%	6848	£22.4m
+2	2158	21%	3344	£21.9m
+3	631	6%	955	£9.4m
+4	117	1%	160	£2.1m
<b>Total Showing Positive Result</b>	7392	71%	11,307	£55.8m
<b>No Positive Result</b>	2976	29%	4620	-
<b>Total AIF Population</b>	<b>Note Available Records are for 10368 People Aged 25+ Participating in AIF: total number of AIF Age 25+ Participants = 15927</b>			<b>100% = £13080 for People Aged 25+ Source HACT</b>

## Table 7: WCVA Active Inclusion Fund Social Return on Investment Component Values

*(Note calculations are rounded to avoid spurious accuracy)*

Overall Impact Category	Specific AIF Impact to be Valued	Maximum Possible Value	Value on Leaving AIF: Assumes 12 Months of Benefit	Reduce by 60% & + Discount at 3% p/a Present Value 24 Months On	Source / Notes – All Calculations Based on WCVA Audited Data for 23096 Participant Records
<b>Personal / Lifestyle</b>	Increased Confidence	£13,080 (Adult) / £9,283 (Young)	£20.5m / £55.8m = <b>£76.3m</b>	<b>£28.8m</b>	WCVA Soft skills data / HACT. Adjust for AIF Soft Skills Assessments e.g., no change = 0 / 1 point change = 25%/ 4-point change = 100%
<b>Work Ready / Skills / Training</b>	Acquired Skills / Qualification During AIF	£1,124	4,478 x £1,124 = <b>£5.0m</b>	<b>£1.9m</b>	HACT – proxy measure – figure represents a broad swathe of possible qualifications
	Job Ready Skills / General Work-Related Training	£1,567	8,562 x £1,567 = <b>£13.4m</b>	<b>£5.1m</b>	HACT
	Entered Post AIF Education / Training	£2,353	1,092 x £2,353 = <b>£2.6m</b>	<b>£1m</b>	HACT proxy as costing refers to an apprenticeship – note Government Job Training Schemes valued at £9,447
<b>In Work</b>	AIF Work Placement	£1,773	858 x £1,773 = <b>£1.5m</b>	<b>£0.6m</b>	HACT using volunteering experience as a proxy: if successful, increased confidence will also add to the value – see above.
	Employed Full Time (Assume 1/3 <sup>rd</sup> of all participants)	£14,433 (HACT) / £3,500 (QALY)	1282 x £3,500 = <b>£4.5m</b>	<b>£1.7m</b>	PHE / QALY (not /HACT) assumes sustainable employment + net of benefits figure
	Self Employed (assume 1/3 <sup>rd</sup> of participants)	£11,588 (HACT) / £3,500 (QALY)	1282 x £3,500 = <b>£4.5m</b>	<b>£1.7m</b>	PHE / QALY (not /HACT) assumes sustainable employment + net of benefits figure
	Employed Part Time (assume 1/3 <sup>rd</sup> of participants)	£1,229	1282 x £1,229 = <b>£1.6m</b>	<b>£0.6m</b>	HACT Assumes little Benefit saving
	AIF Volunteering Experience	£1,773	4,287 x £1,773 = <b>£7.6m</b>	<b>£2.9m</b>	HACT – nearest value is attending voluntary / other local groups

Overall Impact Category	Specific AIF Impact to be Valued	Maximum Possible Value	Value on Leaving AIF: Assumes 12 Months of Benefit	Reduce by 60% & + Discount at 3% p/a Present Value 24 Months On	Source / Notes – All Calculations Based on WCVA Audited Data for 23096 Participant Records
<b>Volunteering / Community Engagement</b>	Regular Volunteering Post AIF	£3,249	Insufficient Data	Insufficient Data	HACT: specifically refers to regular volunteering
<b>Reduced Cost to State</b>	Public Sector / Benefit Savings / Savings to Health / Other Public Services (Valued for full-time employed and self-employed only)	£19,913 (HACT) / £12,000 (QALY)	2564 x £12,000 = <b>£30m</b>	<b>£11.1m</b>	PHE QALY Analysis shows total cost savings to benefits / local government / health = £12,000 assumes sustained employment.  HACT Overall Assessment based on people being in good health – data is available on employment but not health.

## 4.3. SROI Assessment

- a. **Base Value of Impacts** (see Table 7 above): **£202.4m**
- b. **Reduce by 25% for Deadweight & Attribution (5%) / Displacement (20%) = £151.8m**
- c. **Ratio to Overhead Costs £151.8 / £45.0m = a Ratio of 3.37 i.e., for every £1 spent AIF yielded £3.37 of quantified benefit.**
- d. **Apply a sensitivity analysis of + or - 20% and the ratio varies from £2.7 to £4.1**

4.3.1. **A ratio of £1 investment to £3.37 of benefit** represents a cautious, defensible, and positive result that applies values to what can be evidenced by the data. The true value of AIF is likely to be higher because we have no access to data to quantify aspects such as sustained volunteering post AIF participation, benefits to families, to communities or the longer-term benefits for participants.

4.3.2. This assessment is also comfortably within the range of many other assessments examined through evaluation groundwork. Most of the examples encountered were much smaller and often more localised projects working with similarly smaller or more specific client groups (with an accompanying better chance of following up impacts and distance travelled over time).

### 4.3.3. Calculation Notes:

- a. **Deadweight and attribution:** i.e., would participants have improved their position anyway without intervention and is there a causal link between support and outcomes. The research base (including RCS work) suggests that programmes working with the most challenged groups have less 'deadweight' than mainstream programmes. By definition, these groups are outside the mainstream and often marginalised, so a modest 5% reduction is applied. The evaluation confirms that AIF reached targeted groups and individuals and audited AIF outcome data and soft skills analysis provides a strong indication of a direct causal link to AIF in terms of benefits which is confirmed by evaluation fieldwork.
- b. **Displacement** is challenging to assess: the evaluation found qualitative evidence of inter organisational work to avoid duplication, but equally some evidence from field work and from work on the policy and programme landscape (see Section 5) that there is some displacement. The ESF framework set specific objectives that applied to all funded programmes, so the Welsh employability, welfare and wellbeing landscape was populated by a significant number of programmes with similarly stated objectives to AIF operating at local, regional, and national levels. On this basis we have applied a 20% figure for displacement which we believe

to be relatively punitive but applied in the interests of erring on the side of caution.

- c. **Sensitivity** assessment: the evaluation applied a 20% either way confidence limit. In the absence of better alternative data: 20% is a classic business case confidence limit.
- d. **Inflation**: all financial value data is from the 2016 – 2022 period i.e., analogous to the life AIF. This assessment spans 5+ years of AIF data so adjusting for inflation in any given year is impractical. Also, inflation was modest over the period in question, so any impact is relatively insignificant and the sensitivity analysis more than absorbs any year-on-year fluctuations.

## **Section 5: The Policy and Programme Context for AIF**

### **5.1. The Policy and Programme Landscape**

5.1.1. The evaluation brief included examining the policy and programme landscape within which AIF sat since inception and to identify how far other programmes had ostensibly similar objectives.

5.1.2. What follows is an overview rather than a comprehensive analysis. The analysis included programmes that may have had a limited life span or closed since 2015, but which operated for at least part of the time that AIF has been 'live'. We have not evaluated these other programmes as this is outside the scope the work and *we do not therefore critique any other programme*, however:

- a. AIF operated within a complex policy landscape of initiatives and programmes that operated at multiple levels from the very local through regional to those applicable to most or all of Wales.
- b. There were programme overlaps in terms of stated aims that were broadly equivalent to those of AIF. As noted previously, the evaluation encountered both examples of effective collaboration across organisations and programmes, and some occasions where programmes seemed to work less harmoniously or competed. AIF beneficiary quotes illustrate the issues arising:

*“All referrals go through one person at the Local Authority, and they are also running a programme, so they have a vested interest in not sending people on”.*



*“We tried to engage but they would not engage with us, they see us as direct competition”.*

- c. Multiple programmes operating with broadly similar objectives in the same territory are not *necessarily* a bad thing provided operational boundaries are clear and beneficial co-operation is achieved as need be. Employability, welfare, and wellbeing objectives address a diverse set of groups and individuals in equally diverse circumstances, geographies, and socio-economic conditions. Therefore, multiple sources of support can be beneficial if, for example, these programmes bring diversity and complementary skills, expertise, and knowledge.

5.1.3. Annex 1 shows those programmes and initiatives that most seem to echo AIF aims and objectives: it is illustrative not definitive. This draws on an overview of 119 ESF programmes and schemes between 2014 and 2020 that broadly operated in this area of work. As of July 2022, some 54 EU funded projects remained operative with few if any extending beyond 2023 (Welsh Government 20<sup>th</sup> May 2022<sup>5</sup>)

5.1.4. In practice, few projects were available across Wales in the way that AIF was and fewer specifically identified the ‘third sector’ as a partner: those that did included ‘Expanding Mon's Horizons’ (Môn Communities Forward. Anglesey) and Project ‘JobSense in West Wales and the Valleys’ (although this does not mean that the third sector was excluded from others).

## **5.2. The Emerging Policy & Programme Landscape**

5.2.1. The post ESF landscape looks simpler albeit evolving but with a smaller resource and anxiety about how far the third sector will be involved (and funded) to help to support those most challenged in the way that the sector added value through AIF.

5.2.2. AIF built on earlier programmes that applied ESF funds to engage the voluntary sector in Wales in employability and related objectives. The result was continuity over a significant period of years and significantly enhanced voluntary sector capacity and expertise in the field, some of which involved close relations with - and specialist knowledge of - marginalised groups or those experiencing specific challenges (be this the survivors of domestic abuse, people with learning difficulties etc.).

5.2.3. The latter phase of the AIF evaluation suggests that as the programme draws to a close with no successor in prospect and with wider resource constraints, there is a significant depletion in that capacity and expertise (including in WCVA). This is of particular concern in terms of how future support will reach those in the most

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<sup>5</sup> <https://gov.wales/eu-structural-funds-programme-2014-2020-approved-projects> (Accessed 12th July 2022)

challenged circumstances. In short, skilled staff are being made redundant and voluntary organisations with a longstanding engagement are downsizing.

5.2.4. AIF had two distinctive characteristics that are relevant both to the role it played over its life and in looking forward:

- a. It marshalled beneficiary bodies with expertise in engaging and helping those in very challenged circumstances that mainstream programmes can struggle to reach, and yet engaged organisations to provide support locally, regionally and/or nationally, provided that they met the AIF requirement. In short, it was inclusive of a very broad range of validated organisations with the capacity to help at all levels.
- b. It funded support for targeted individuals and groups wherever they might be within or without the most deprived areas. Policy and programme emphasis on areas of high deprivation is important and understandable, but this wider AIF 'reach' enabled support for people who might otherwise fall through that geographical net wherever they lived. For example, classic analysis of rural disadvantage underlines that it is geographically dispersed and arguably less visible yet no less challenging for the individuals concerned. AIF operated in the most deprived areas yet also operated outside them.

5.2.5. The closure of AIF suggests a potential gap in future in Wales. At the time of writing (August 2022), we note that Shared Prosperity Fund local authority plans are imminent and that they may change matters in this regard.

5.2.6. A brief overview of recent Welsh Government developments in a fluid policy environment suggests that groups targeted by AIF remain on the 'radar'. A key question is therefore how far these developments will sustain engagement with those bodies – and particularly voluntary sector bodies – whose client groups are the most marginalised and who most know and can connect and help them.

5.2.7. For much of its life, AIF operated in a post EU membership referendum environment with UK and Welsh policy responding. This included the Welsh Government Employability Plan (2018) identifying four key mechanisms for delivery:

- a. Individualised approaches to employability support.
- b. Encouraging employers to up-skill their workers, support their staff and provide fair work.
- c. Addressing current and projected skills gaps.
- d. Preparing for a radical shift in the world of work.

5.2.8. The plan also references:

- a. Strengthening Regional Skills Partnerships to ensure “that they provide regional leadership and robust labour market intelligence, using funding incentives to increase their influence on skills provision in each region.”
- b. Working with partners to help ensure that 90% of 16-to-24-year-olds in Wales will be in education, employment, or training by 2050.
- c. Working to eliminate the pay gap for women, Black, Asian and Minority Ethnic groups, and disabled people.
- d. Eradicating the gap in the employment rate between Wales and the UK with a particular focus on under-represented groups.”

5.3.9. In the context of UK schemes, Welsh Government seeks to fill post Brexit gaps in these programmes to meet Welsh needs:

*“In the face of less funding and less decision-making autonomy, we seek to add value rather than duplicate the DWP employment offer and focus on a cross government approach to furthering our goals for a Fairer Wales.”<sup>6</sup>.*

5.2.10. This focuses on supporting those groups underrepresented in the employment market:

- a. Young people to realise their potential.
- b. Tackling economic inequality.
- c. Championing Fair Work for all.
- d. Supporting people with a long-term health condition to work.
- e. Nurturing a learning for life culture.

5.2.11. The commitment extends to providing support for people with complex barriers to find work<sup>7</sup> with a focus on those most disadvantaged in the labour market including those identified above and older workers over 50, carers and those with low skills. Initiatives emerging include:

- a. **Jobs Growth Wales+** (launched March 2022) a training and development programme for 16–18-year-olds

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<sup>6</sup> Cabinet Paper CAB(21-22)71 (April 2022) Stronger, fairer, greener Wales: a plan for employability and skills. Available at: <https://gov.wales/stronger-fairer-greener-wales-a-plan-for-employability-and-skills-cabinet-paper.html> (Accessed 13th July 2022)

<sup>7</sup> <https://gov.wales/welsh-government-steps-replace-eu-funded-programmes-support-people-complex-barriers-find-work>

- b. **ReAct+**. tailored support to help people into work across Wales including employer wage and training support
- c. **Communities for Work Plus**: advisory support and intensive mentoring to people who are either in or at risk of poverty who are not eligible for other regional programmes [currently] funded by the European Social Fund, and who have complex barriers to employment and training opportunities.
- d. **PACE** for economically inactive parents aged 16+ where childcare is the main barrier to work.
- e. **Young Person's Start up Grant** to help young people under the age of 25, living or returning to Wales to become self-employed although this may cease in March 2023.
- f. **Barriers to Start-up Grant for 25-year-olds and over**, to enable economically inactive and unemployed individuals aged 25 and over to start up a business in Wales although this may cease in March 2023.
- g. **Young Person's Guarantee** to offer of work, education, training, or self-employment.

## 5.3. Trends in Wales

### Context

5.3.1. Large gaps existed between Wales and the rest of the UK in the 1980s and 1990s. Whilst this gap has been significantly narrowed over time, recent analysis and statistics show that gaps and challenges remain. The Welsh Government's Labour Market Overview, June 2022<sup>8</sup> shows:

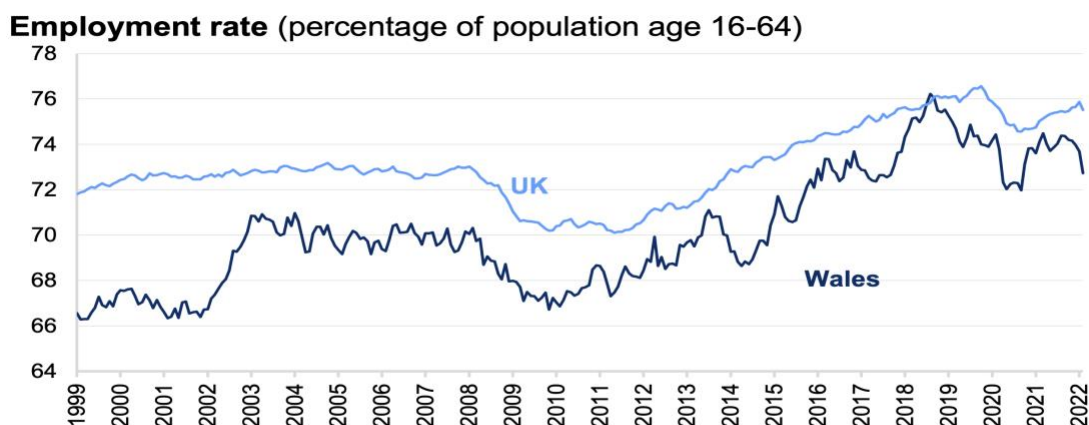
- a. As of August 2022, the overall employment rate in Wales of 72.7% (75.5% for the UK): this is wavering but up slightly on the year with a recovery in the number of paid employees post pandemic plus an upward longer-term trend in self-employment (up 32.3% from 1999).
- b. Welsh long-term unemployment (12 months or more) has generally been higher than the UK rate, with the gap briefly closing in 2018 but increasing such that in 2021 35.2% of all those unemployed in the year were long term unemployed compared to 28.5% for the UK.

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<sup>8</sup> <https://gov.wales/labour-market-overview-august-2022>

- c. Economic inactivity at 24.4% (up 0.8% on the year and compared to 21.4% average across the UK)<sup>9</sup>: this is a key reason for the Welsh employment gap and despite falling from 29% in the 1990s it remains higher than the UK average. 19.9% of males in Wales are economically inactive and 28.8% of females. In the year ending December 2021, the most common reasons for economic inactivity were:
  - i. Long-term sickness in males (34.7%) closely followed by being a student (the latter accounting for 30.2% of all economically inactive males)
  - ii. Historically, the most common reason for economic inactivity for women in Wales was looking after family and home, although this has decreased. Recently, the most common reason for women in Wales was long-term sickness (26.9% of all economically inactive females) with those looking after family accounting for 25.1% and students 24.4% of the total.
- d. Employment in Wales is historically higher for men than for women however, differences between male and female *unemployment* are not as apparent as in employment or economic inactivity<sup>10</sup>.

**Chart 16: Employment Rate as a % of Population Aged 16 – 64: UK & Wales**



Source: Labour Force Survey, Office for National Statistics

5.3.2. These statistics coupled with the evidence base (including AIF evaluation literature reviews) show that an emphasis on ‘work first’ in mainstream provision is less effective for those with most complex needs and for certain groups, including people with health conditions and disabilities and the over 50s. This points to the continued value of specialist provision to sit alongside mainstream programmes for groups such as those targeted by AIF to offer the more comprehensive and holistic services that such people need.

<sup>9</sup> <https://gov.wales/labour-market-overview-august-2022>

<sup>10</sup> <https://gov.wales/labour-market-overview-august-2022>

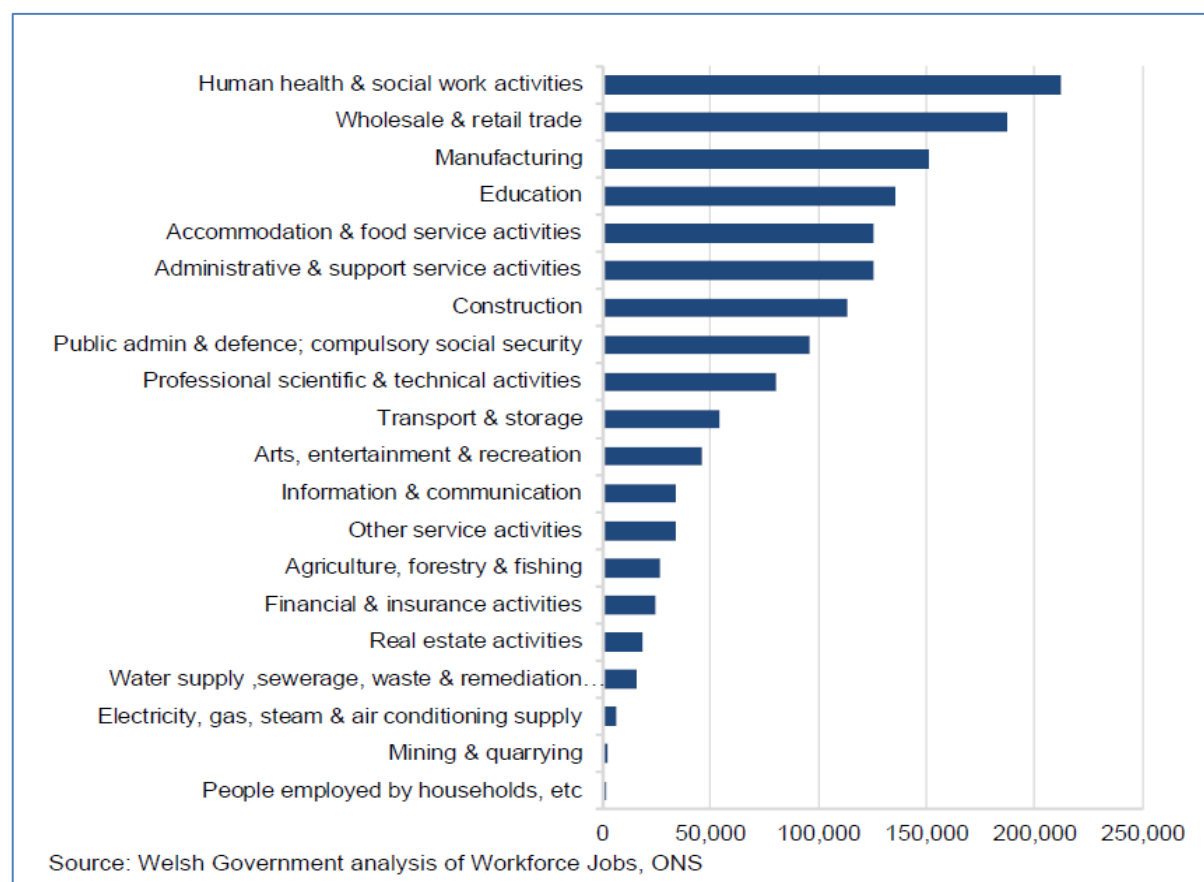
## Jobs and incomes

5.3.3. There is a pay gap between Wales and the rest of the UK. Although regional inequalities within Wales are less pronounced than across the UK, they exist and need to be seen in the light of median gross weekly earnings for full-time adults. This was £562.8 in April 2021 in Wales (92.2% of the UK average which was £610.7) and the third lowest amongst the 12 UK countries and English regions.

5.3.4. However, the gender pay gap on a median hourly full-time basis (excluding overtime) in April 2021 was 5.0% in Wales and 7.9% in the UK<sup>11</sup>.

5.3.5. Overall, there is a comparative lack of highly paid employment in Wales with hospitality, health and social care featuring amongst the largest overall employers. Chart 17 below (Welsh Government's June 2022 Labour Market Overview<sup>12</sup>) shows the number of jobs by sector in Wales.

**Chart 17: Workforce Jobs by Industry Sector in Wales**



<sup>11</sup> <https://gov.wales/annual-survey-hours-and-earnings-2021>

<sup>12</sup> <https://gov.wales/labour-market-overview-august-2022>

5.3.6. Also, the Annual Population Survey on the ‘Employment of young people (aged 16-24) by industry and age group, Wales, 2021’<sup>13</sup> identified that 16–19-year-olds (10.2%) and 20–24-year-olds (14.9%) are most likely to be employed in ‘distribution, hotels, and restaurants.

5.3.7. Phase one and two of the evaluation investigated AIF employment placements and employment destinations for participants. Most participants who moved into work were in minimum wage entry-level jobs. The most common AIF work experience placements were in catering, retail, construction, care homes, call centres, online retailing, childcare and youth work, although an element of beneficiary bodies were able to find innovative and locally tailored placements and employment opportunities.

5.3.8. Providers ranged from large organisations such as local authorities or large companies through to small or micro local enterprises. Overall, the availability of local opportunities and the quality of such opportunities was highly variable both for placements and subsequent work.

*“the labour market round here is not brilliant – lots of zero hour contracts, and minimum wage jobs. Really difficult to actually find anything that pays a decent salary.”*

5.3.9. Also, there was a level of precarity in the types of jobs that many AIF participants moved into. In part this is because the sectors offering opportunities are vulnerable to modernization – for example High Street retail opportunities are shrinking in a number of localities.

5.3.10. The evaluation literature review ‘*Welfare, Wellbeing and Employability Interventions for those Furthest from the Labour*’ highlighted that employment programmes in general tend to work to develop the skills and capacities of participants to make them more suited to existing opportunities rather than creating new opportunities.

5.3.11. A few innovative AIF beneficiaries exemplified how to use AIF to bring supply and demand together by both supporting small local businesses to grow and take on new staff, in some cases moving from a sole trader to employing the AIF participant on a permanent basis, whilst also helping the participant to move into the opportunity.

5.3.12. The case studies in the accompany documents ‘*Opportunities for the Hard to Reach in the Foundational Economy*’ and ‘*Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund*’ provide illustrations.

5.3.13. Table 8 below draws on the 2022 AIF Evaluation participant survey which had a modest response so data should be treated as indicative, however it broadly

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<sup>13</sup> <https://gov.wales/ad-hoc-statistical-requests-23-may-3-june-2022>

supports wider fieldwork in terms of the nature of participant employment post AIF. The other category would include a wide range of activities including the niche employment opportunities described above.

<b>Table 8: Employment Destinations Post AIF Participation</b> <i>(Source: AIF Evaluation 2022 Participant Survey)</i>	
<b>Category of Employment</b>	<b>Number of Participants Responding</b>
Retailing / Shops	6
Hospitality (hotels / preparing or serving food etc.)	4
Health or Social Care	6
Construction / Building	2
Training or Education	2
Manufacturing / Making Things	1
Farming / Forestry / Managing the Land	0
Environment	0
Arts / Crafts / Music / Creative Activity such as Film or Photography	1
Information & Communication	4
Financial & Insurance	1
Administration & Support	2
Other	12
<b>Total</b>	<b>41</b>

## **5.4. The Foundational Economy: The ‘Everyday Economy’**

5.4.1. The Foundational Economy covers basic services and products that people rely on:

*“The everyday economy, also known as the foundational economy, describes the jobs at the heart of our local communities, across sectors such as care and health services, food, housing, energy, tourism, construction and retail.”<sup>14</sup>*

5.4.2. Welsh Government recovery plans commit Ministers to supporting the foundational economy so that more local spending and projects support jobs and businesses in the community. These objectives broadly align with the sectors that AIF participants often tended to work in or aspire to, and where potential opportunities typically (but not universally) lie for groups and individuals that have been targeted and supported through AIF.

5.4.3. Jobs in these sectors account for four in ten jobs in the Welsh economy and £1 in every £3 is spent in them. In some parts of Wales, *‘the Foundational Economy*

<sup>14</sup> <https://gov.wales/25-million-funding-boost-back-businesses-everyday-local-economy>



*is the economy*'. The accompanying document '*Opportunities for the Hard to Reach in the Foundational Economy*' provides case study examples of how some AIF projects aligned with Welsh government aspirations for this element of economic policy. The Welsh Government published a Foundational Economy Delivery Plan in April 2021<sup>15</sup>. As highlighted in Business Wales<sup>16</sup>, the Welsh Government's approach to supporting and developing the foundational economy focuses on:

- a. A £4.5m Foundational Economy Challenge Fund to support experimental projects to test how best to support the foundational economy, plus a further £2.5m investment subsequently announced.
- b. A focus on growing the 'missing middle' to increase the number of small to medium sized firms grounded in Wales which might be capable of selling outside Wales but have decision making rooted firmly in Welsh communities.
- c. Spreading and scaling best practice with an initial start looking at social value in procurement working with Public Service Boards to use and strengthen local supply chains.<sup>17</sup> The Wellbeing of Future Generations Act is seen as underpinning this process.

5.4.4. As examples, projects selected for funding included care home training places, support for developing a 'Foundational Economy Health Plan', growing local digital capability in towns in selected local authority areas and a local authority project to grow micro-care services offering localised care and support.

## **5.5. Change and Opportunities**

5.5.1. AIF operated in a Welsh economic environment with:

- a) Long term structural shifts in the type and nature of employment opportunities in Wales (see Chart 18 below) which shows increases and decreases in employment by sector between 2008 and 2018, for example reduced employment in high street retailing, although regional and sub regional employment patterns and therefore employment opportunities show wide geographical variations.
- b) Accompanying geographical variations in economic performance, so success has a dependency on prevailing local as well as national economic conditions: local employment opportunities and the quality of such opportunities were highly variable both for placements and subsequent work.

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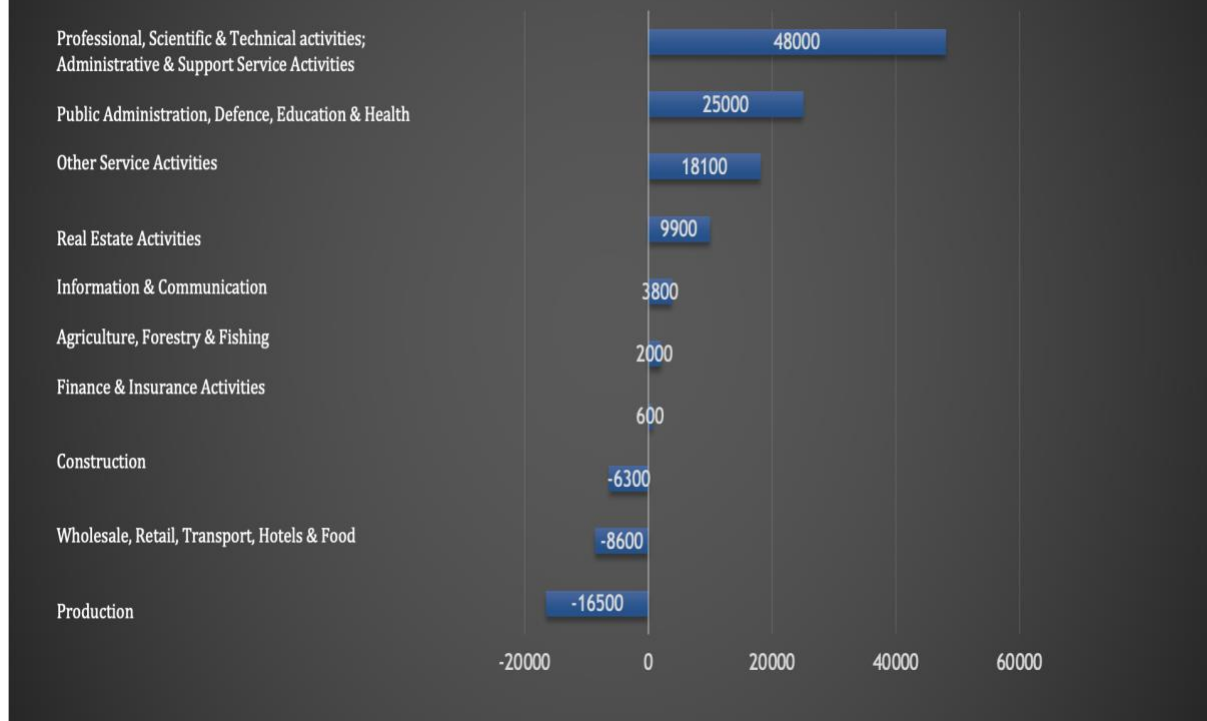
<sup>15</sup> <https://gov.wales/foundational-economy-delivery-plan-html>

<sup>16</sup> <https://businesswales.gov.wales/>

<sup>17</sup> <https://businesswales.gov.wales/foundational-economy>

**Chart 18: Change in Workplace Employment in Wales By Sector 2008 - 2018**

(Source: Summary Statistics for Wales by Region: Statistics Wales 2020)



#### 5.5.2. At its best, AIF:

- a) Funded beneficiaries who are effectively networked into local business to creatively connect individuals to opportunities. Successful participant engagement in sustainable and suitable work often requires that beneficiaries can connect with suitable – and willing – employers, and that they can actively support participants in engaging with opportunities where participants are ready.
- b) Found quality placements and helped people into longer term job opportunities (or volunteering) through beneficiary connections, or by creating pathways for participants, some of whom may go on to volunteer with, and eventually be employed by that beneficiary.
- c) Supported innovative opportunities, including engaging with new (and often micro) local markets or economic activities. Although not a binary experience, effective smaller beneficiaries were often well placed to find or create innovative and individualized solutions for participants, and particularly for those who seemed remoter from work, who may have been vulnerable and needed time to build trusting relationships.
- d) Identified and developed individual or ‘niche’ opportunities that are probably outside the purview of larger mainstream programmes, so the local knowledge and networking element in the AIF approach has added value (the case studies in the accompanying document ‘Good

50

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*Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund'* describe examples).

5.5.3. It is beyond the scope of this evaluation to provide detailed analysis on how the continued shifts in Welsh, UK and global social, demographic, economic, technological, and business developments and conditions will impact on future employment opportunities in Wales and particularly those for the groups targeted by AIF. However:

- a. Significant shifts continue, with changes in employment patterns, a continued 'GIG' economy (where employers and independent workers engage in short term work arrangements) and changes enabled or driven by technology including wider virtual working (and volunteering), the adoption of robotics and new categories of work such as 'influencers' (although a cynic of a certain age might observe that the latter is a new version of a very old activity: marketing and selling).
- b. The effects of change include *'the potential for new technologies to displace current jobs, and to enable employers to create and access flexible and contingent labour pools, risking a rise in precarious and insecure jobs'*<sup>18</sup>. As they continue to unfold it is unclear how these developments will impact longer term although it is reasonable to expect that they will act as disrupters for at least elements of the Welsh labour market. For example, the debate speculates on the extent to which the Welsh economy will continue to rely on a low skilled, low paid and insecure labour, and the extent to which the economy will need a highly skilled labour force, but with potentially with fewer jobs.

5.5.4. Against this background a few factors are immediately relevant to future support arrangements for those most challenged which include opportunities arising from a changing Welsh labour market if future programmes can work with the grain of that change:

- a. The Foundational Economy (see above): this aligns well with the sectors that AIF participants tend to move into (care and health services, food, housing, energy, construction, tourism, and retailing).
- b. Linking to the above, AIF suggests a model in supporting small local businesses growth: 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. The value of local / niche opportunities that can be missed by mainstream programmes, particularly for those in challenged circumstances.

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<sup>18</sup> The Future of Work in Wales Public Policy Institute of Wales 2017, Bell.M, Bristow.D & Martin.S.,

- d. Exploiting opportunities in the social and community enterprise sector (for volunteering also).
- e. Conversely, building stronger links with larger employers at programme level: this can also help to overcome the stigma that can attach to employing people in challenged circumstances.
- f. The virtual workplace: COVID 19 accelerated a shift to virtual forms of working and volunteering. The practicality and desirability of this is the subject of considerable debate. In reality, some forms of activity and personal wellbeing can be enhanced by such ways of working (for example virtual volunteering can be a be inclusive for those with mobility challenges) whilst for others it is less practical and potentially isolating. However, for those who may be suited, it remains an opportunity, for example, virtual working may offer opportunities for those in more remote communities.
- g. The evaluation also found that despite COVID 19 having many disruptive impacts, some participants benefitted from virtual forms of support, and some were encouraged to engage who may have been either reluctant to engage through more traditional means for personal or cultural reasons or because of the need to travel.
- h. The shift to digital working may also lead to an increase in demand for local services as more people work from home.

## **Section 6: How AIF contributed to the Objectives of the Well-being of Future Generations (Wales) Act 2015 & ESF Cross Cutting Themes**

### **6.1. The Act**

6.1.1. The Well-being of Future Generations (Wales) Act 2015 requires public bodies in Wales to consider the long-term impact of their decisions, to work better with people, communities, and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. This section should be read in conjunction with previous sections recording AIF impacts and also the accompanying document '*Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund*' which identifies what works in supporting participants towards better quality lives and towards or into work or volunteering.

6.1.2. There is wide evidence to demonstrate that poverty and poor life chances correlate with long-term unemployment and economic inactivity e.g., the ‘Tackling Poverty Action Plan’ (Welsh Government 2012), and in the subsequent Child Poverty Action Plan, which underlines the importance of supporting parents into employment (Welsh Government 2015).

6.1.3. Identifying long term and evidenced causal links between the impacts of relatively short term and episodic programmes (such as AIF) and longer-term strategic aims such as those set out in the Act is challenging, not least given an absence of longitudinal arrangements to establish how participants and communities fare over time.

6.1.4. However, AIF targeted individuals where poverty and social exclusion were often intrinsic. The evaluation confirms that support provided by AIF helped many participants and that it effectively operated at the cusp of employability, welfare, and wellbeing support. Blending these factors is crucial in helping people in or emerging from challenging circumstances towards better quality lives and employment and therefore out of poverty.

6.1.5. A core underlying objective of AIF was ‘anti-poverty’ and AIF contributed to the aims of the Act in that it:

- a) Addressed a key driver of poverty, poor health, and social exclusion: worklessness. the evaluation *‘good practice’* literature review records that *‘worklessness, particularly a long-term absence from the labour market, is strongly associated with deleterious impacts on the lives of individuals (and potentially their families).’*
- b) Supported those with serious challenges such as poor mental health, addictions, or learning difficulties: successful help in this context is a major factor in improving individual, family and ultimately community wellbeing.
- c) Helped people who have experienced unemployment and were unable to [re]engage in the labour market, and secondly, worked with people in challenged circumstances and with low expectations to help them build a belief that they can engage with the labour market or to be more active in society, for example, through volunteering.

6.1.6. In practical terms, the approach successfully blended support in developing participant soft and hard skills and capabilities and at its best, applied the principles of effective programme design and good practice in providing support to people most in need of that support (see also Section 7). AIF supported 23000+ targeted individuals with results that included:

- a. Enhancing their Soft Skills including confidence and motivation.

- b. Preparing people for work.
- c. Engaging in experiential benefits, e.g., through work placements or volunteering.
- d. Upskilling, training, or achieving specific qualifications.
- e. Setting people on course for further education or training.
- f. Helping people into longer term employment or self-employment

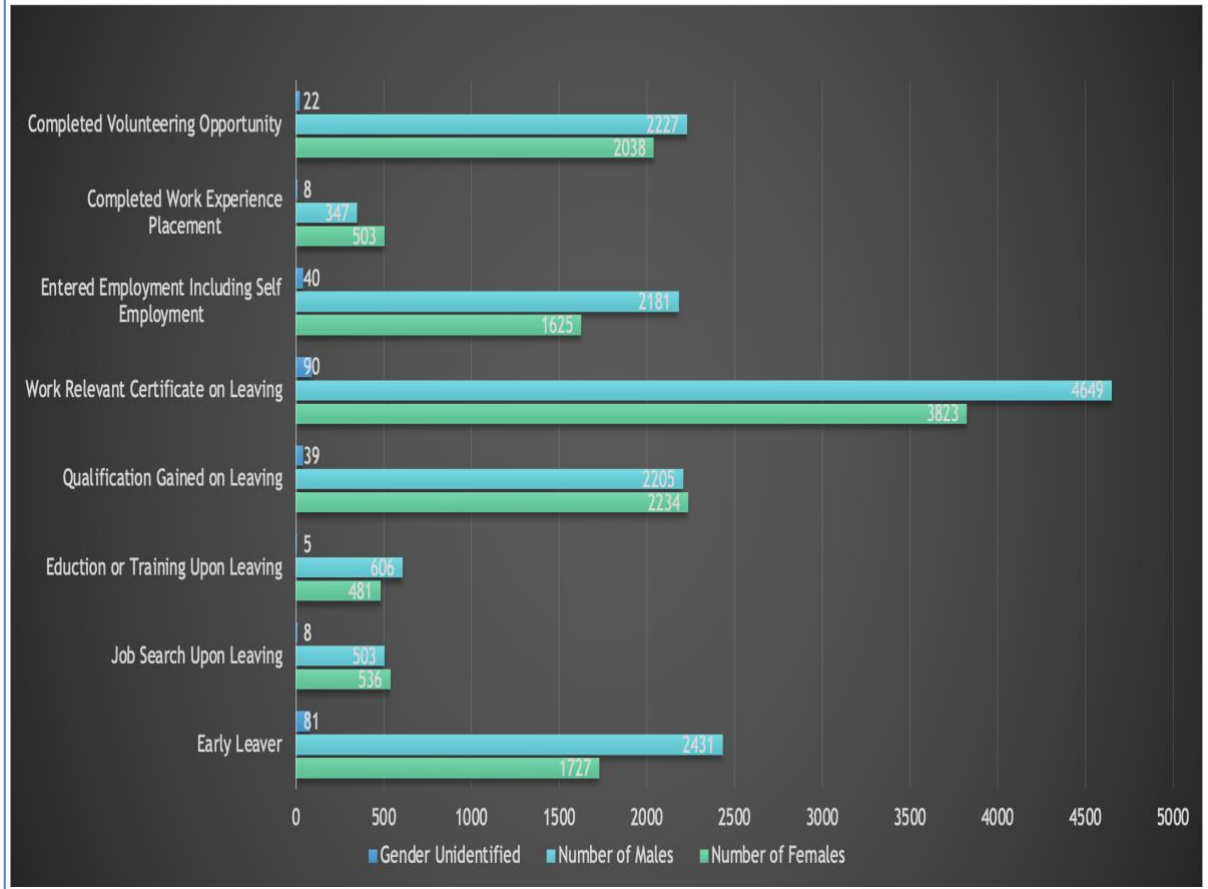
6.1.7. Hard evidence to support the success of AIF in contributing to long term objectives in the Act revolve around:

- a. The audited achievements as explored in Section 3.6 and summarised in Chart 19 below: these are all positive steps that have value for the individual in moving out of poverty, albeit systematic follow up to give a longitudinal picture of what actually happened to participants would have been valuable – the evaluation looked at examples through what works case studies, but these do not provide a structured sample.
- b. The extent to which soft skills and factors such as increasing confidence and overcoming barriers achieved positive results: clearly as recorded, these are important but equally to sustain them may have needed longer term follow up support.
- c. A positive cost / benefit analysis through the Social Return on Investment assessment which is a cautious assessment of impact with stated and equally cautious assumptions about how impacts were sustained after 2 years. A ratio of £1 spent to £3.37 of measurable benefits achieved for a programme operating at the scale of AIF is impressive.

6.1.8. AIF data also includes validated data drawn from a requirement that beneficiary bodies record where participants have activities or elements in training and help that specifically addresses an aspect of poverty alleviation as a wider requirement: AIF data to 31<sup>st</sup> July records that 16768 participants engaged in some specific activity or training to help. Such activities could be help in managing personal finances or in accessing a food bank as an adjunct to other support.

## Chart 19: Active Inclusion Fund: Participant Exit Outcomes

(Source: WCVA from 23096 Records)



6.1.9. The accompanying document *'Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund'* describes good practice in effectively supporting people in challenged circumstances.

6.1.10. Our findings inform a picture of good practice across AIF in supporting challenged individuals and groups. In establishing what works there are many similarities in the 16 – 24 age group 'experience' to that of those aged 25 and over, for example, the importance of gaining and increasing self-confidence. However, there are some distinctions between age groups:

- a) Camaraderie between peers is even more important to young people: *"we find that delivering in groups works as people bond instantly and is an important factor in them wanting to come back"*.
- b) Older people valued interaction to share experience and discover that they are 'not alone' in their experiences.
- c) Although a generalisation, older people tend to be more focused on outcomes for them and on turning their lives around.

- d) Young people who were NEET typically had fewer specific goals, reflecting that many are starting out on the route to employment with little or no past experience to draw on, or any specific desired vocation.

6.1.11. Whilst the evaluation found AIF to be successful, we also suggest learning and a model for future arrangements that could further improve impacts and benefits in working with groups targeted by AIF in Section 7.

## **The Living Wage**

6.1.12. WCVA actively promoted the value and importance of paying the living wage, however, given no systematic post participation longitudinal data, there is no consistent information to inform the extent to which the living wage was paid to those participants who successfully entered work. Evaluation fieldwork found a mixed picture:

- a. A proportion of placement employers and those who employed people post AIF participation did pay the Real Living Wage.
- b. However, many participants who successfully secured employment did so in entry level work (often on a minimum wage basis) or in sectors employing people on zero-hour contracts. Whilst long term secure employment is desirable, it isn't always possible, and people may still benefit from the fact of employment (and some sectors such as retailing, and construction operate on this basis).
- c. The Welsh Government aspiration that organisations pay the Real Living Wage maybe sent a mixed message when there is stricture that AIF (and other programmes) can only be reimbursed at statutory minimums. This inconsistency could be usefully reviewed for the future as a signal and encouragement to employers.

## **6.2. Cross Cutting Themes**

### **AIF Contribution to Equal Opportunities and Gender Mainstreaming**

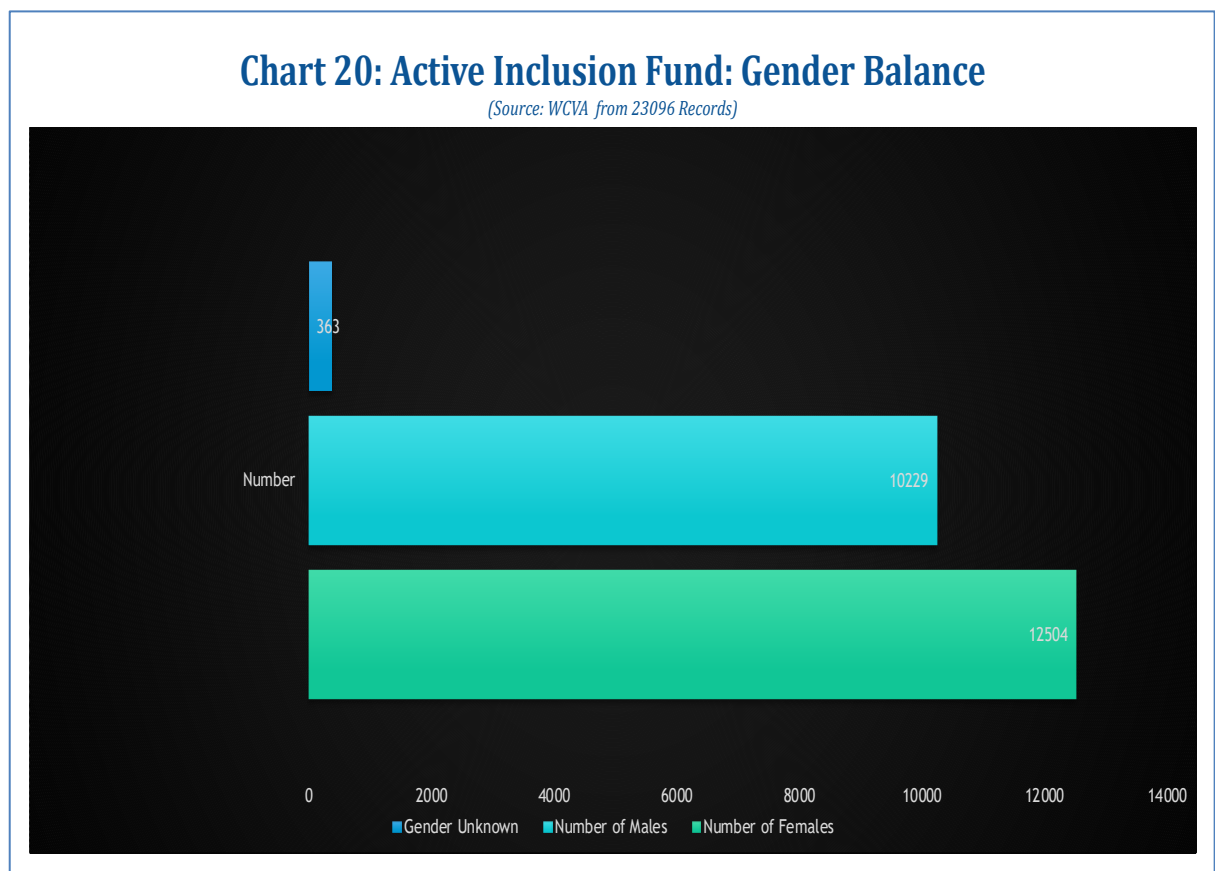
6.2.1. This evaluation confirms that AIF has supported disadvantaged people at scale (including those who are NEET and Black, Asian, and Minority Ethnic groups, those with learning difficulties or experiencing or emerging from mental health issues). It also addressed challenges for women seeking to return to or enter the labour market. Evaluation fieldwork consistently found that at its best AIF positively transformed people's lives.



6.2.2. The balance of male to female participants is 55% to 45% (see Chart 20 below). Accepting that figures fluctuated over the life of AIF and COVID 19 was a major disrupter, a snapshot drawn from recent data shows:

- a. Employment rates in Wales with 76.9% of males (78.9% UK) and 68.6% of females (72.2% UK) recorded as in employment.
- b. Unemployment at 3.9% for males in Wales (3.9% UK) and 3.6% for females (3.6% UK).
- c. Economic Inactivity at 19.9% for males in Wales (17.8% UK) and 28.8% for females (25.1% UK)<sup>19</sup>.

6.2.3. Evaluation fieldwork also confirms that AIF supported equality in occupational terms with no inherent biases evident in terms of engagement in industries, sectors or projects.



6.2.4. 1297 AIF participants self-identified as Black Asian and Minority Ethnic groups (Approximately 5.6% of AIF participants) with the most recent Welsh Government Estimates that 4.9% of the Welsh population is from Black, Asian and

<sup>19</sup> <https://gov.wales/labour-market-overview-august-2022>

Minority Ethnic group<sup>20</sup> with accompanying evidence that poverty is a particular challenge for a significant proportion of this group. A snapshot drawn from recent data to the year ending 31<sup>st</sup> December 2021<sup>21</sup> shows that overall:

- a. Black, Asian and Minority Ethnic group population employment rate at 64.8% compared to 73.5% for the white population in Wales.
- b. Black, Asian and Minority Ethnic group population economic inactivity rate at 27% compared to 23.5% for the white population at the time of data collection.
- c. For the period 2015 – 16 to 2019 – 20 there was a 29% likelihood of people whose 'head' of household comes from a non-white ethnic group living in relative income poverty in Wales compared to 24% where the 'head' of the household comes from a white ethnic group<sup>22</sup>.

6.2.5. Table 9 below provides a breakdown of AIF participants by ethnicity.

Category	Fund: East Wales Young People	Fund: East Wales Age 25+	Fund: West Wales & the Valleys Young People	Fund: West Wales & the Valleys Age 25+	Total: All Funds
White Welsh	347	1192	3760	6462	11761
White British	505	1282	2128	5379	9294
White Irish or Other White	25	106	60	258	449
Asian or Asian British: Bangladeshi, Indian, Pakistani or Other	47	127	33	136	343
Black & Black British African, Caribbean or Other	39	180	38	131	388
Chinese	-	7	3	22	32
Mixed White & Asian, Black African, Caribbean or Other	42	103	67	102	314
Other	26	84	20	98	228
No Data / Prefer not to Say	9	172	22	84	287
<b>Total</b>	<b>1040</b>	<b>3253</b>	<b>6131</b>	<b>12672</b>	<b>23096</b>

<sup>20</sup> <https://statswales.gov.wales/Catalogue/Equality-and-Diversity/Ethnicity/summaryofeconomicactivityinwales-by-year-ethnicity>

<sup>21</sup> <https://statswales.gov.wales/Catalogue/Equality-and-Diversity/Ethnicity/summaryofeconomicactivityinwales-by-year-ethnicity>

<sup>22</sup> <https://gov.wales/relative-income-poverty-april-2019-march-2020-html>

## Cross Cutting Theme 'Positive Action' Case Level Indicators

6.2.6. The Cross Cutting Themes also included some more detailed 'positive action' aimed at testing the inclusivity of the programme and specifically whether participants were enabled where they experienced disabilities or health conditions, needed help in addressing barriers such as covering transport costs or support for childcare or other caring responsibilities, and providing mentoring.

6.2.7. Top level, the ethic of AIF was to choose validated beneficiaries who can reach and support people with substantial challenges in improving lifestyles and moving towards or into work or volunteering. By definition, these organisations needed to facilitate participation to enable the provision of support and the results recorded in previous sections speak for themselves in terms of success.

6.2.8. More specifically, evaluation fieldwork found that the majority of beneficiary bodies funded were committed and dedicated in ensuring that their participants were sufficiently supported. This included aspects such as help with travel costs and ensuring that people with disabilities were included not excluded – a number of the bodies funded had specific missions to help people with certain conditions. The accompanying document '*Good Practice in Helping People Towards Work: Lessons from the WCVA Active Inclusion Fund*' describes what works in providing support with illustrative case studies.

6.2.9. Additionally, a phase 3 participant survey asked if their particular needs were met. Unfortunately, as recorded earlier, the response rate was disappointing and the results indicative rather than confirmatory. However, the Charts below show responses to an overall question about how far participant needs were met (Chart 21) and how far some specific needs were met (Chart 22). Whilst a minority of responses are negative most are positive or at least acknowledge some steps were taken to help.

6.2.10. Participant quotes:

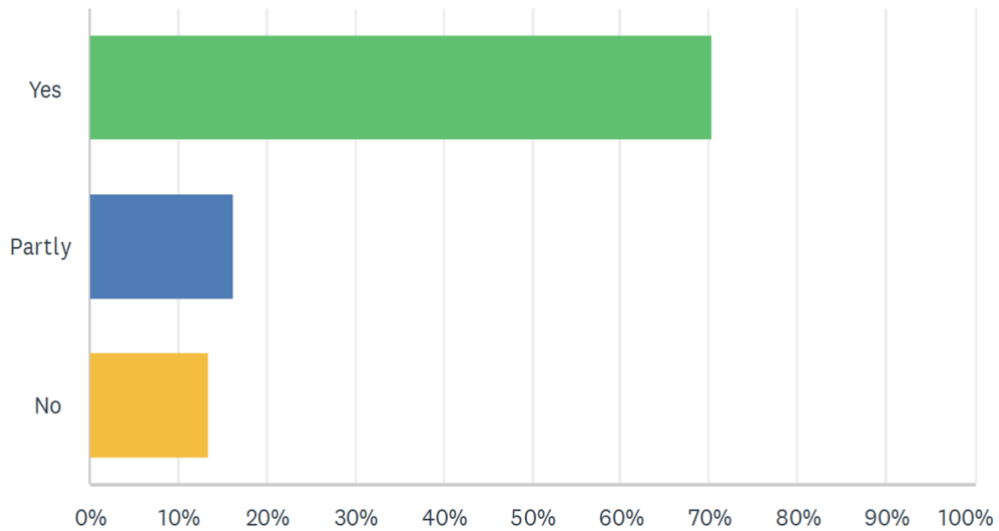
*"My mentor encouraging me to volunteer and helping to find volunteering opportunities for me was a huge help"*

*"All the mentors are amazing and tailored their support to what you needed. Amazing project especially as my circumstances were complex and there was no other support available to me."*

*"Expenses should be offered"*

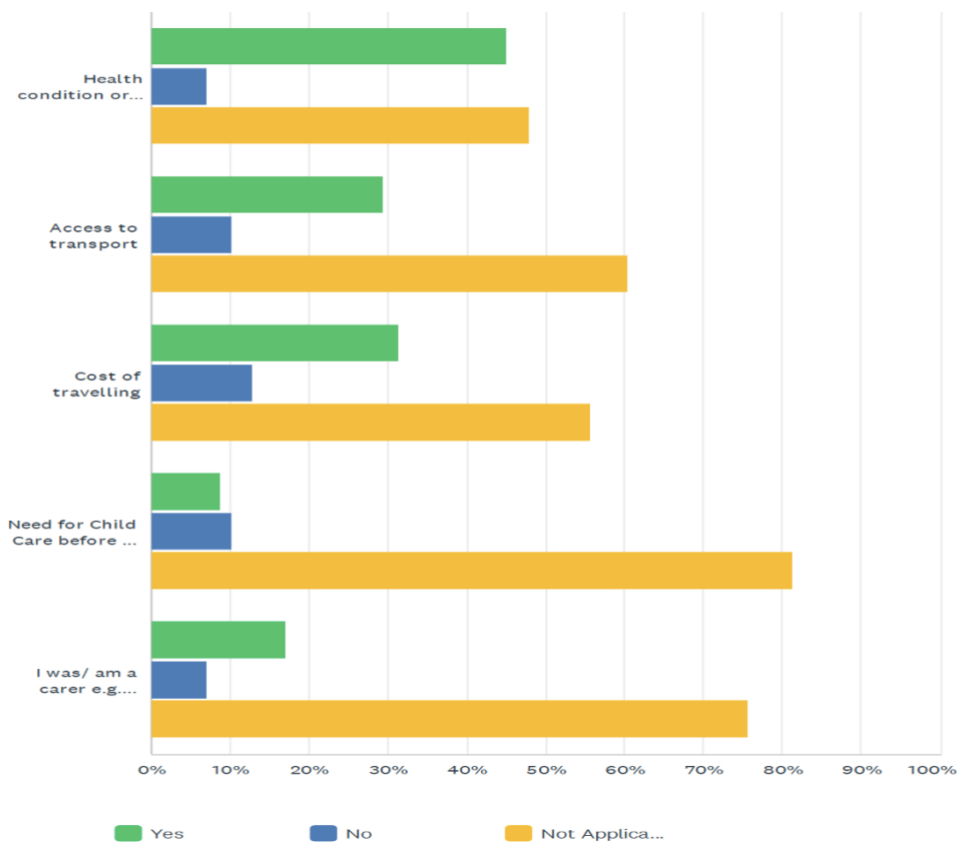
### Chart 21: Participant Assessment: Did Support Reflect Your Circumstances (e.g., Health / Gender / Ethnicity / Age)

(Source AIF Participant Survey 2022 From 74 Responses With 3 Non-Responses – Noting Modest Response Rate)



### Chart 22: Participant Assessment: Did AIF Support Meet Any Specific Needs?

(Source AIF Participant Survey 2022 From 72 Responses With 5 Non-Responses – Noting Modest Response Rate)



## **Equalities Workshop**

6.2.11. Work on the final stages of the evaluation included a small beneficiary equalities workshop (July 2022) to explore and validate findings and confirm evaluation work on what works through an equalities lens. Overall, this confirmed previous findings with learning that included:

- a. AIF was very flexible, and its eligibility criteria do not exclude people.
- b. AIF enabled tailored support for individual needs (including addressing debt, food poverty, homelessness) and building confidence and social skills as essential pre-requisites before embarking on pathways to employment or volunteering.
- c. A suggestion that there is increasing demand for support for people with additional learning needs and Autism Spectrum Disorder with a sense that mainstream programmes are referring on these individuals, as they don't know what to do for them.
- d. AIF allowed organisations to reach more people than previously: not necessarily from a new client base but helping more people in need in their existing client group.
- e. Economically inactive people who may be vulnerable are more difficult to identify when not in any particular 'system' so beneficiary organisations try to engage them by reaching out to services that the individual may have been involved with such as food banks or doctors' surgeries.
- f. Some ethnic minority groups don't reach out for help because to do so can be seen as failure in their culture: this makes it difficult to engage where there may already be language barriers.
- g. Offering training and qualifications in a different way to 'standard' educational settings which can give rise to perceptual barriers although this may not be possible in rural areas.
- h. Administrative complexity and the language of paperwork can be a barrier and discourage potential participants, particularly for people where English and Welsh are not a first language and when the participant needs support with literacy and numeracy.

## **Overall Did AIF Address Equalities Effectively?**

6.2.12. Yes. It was inclusive and successfully contributed to Welsh Government goals around equalities. Illustrative examples include:

- a. A ratio of male to female AIF participants of 55% / 45%, but a ratio of male to female qualifications achieved of 50% / 50% (see Chart 5).
- b. The soft skills analysis shows both Black, Asian and Minority Ethnic group female and male assessments are broadly positive in terms of how AIF helped them overcome barriers to employment (see Chart 9) but more females engaged than males (551 female to 496 male).

6.2.12. AIF data includes validated data drawn from a requirement that beneficiary bodies record where participants have activities or elements in training and help that specifically addresses an aspect of equalities as a wider requirement: AIF data to 31<sup>st</sup> July records that 13,769 participants engaged in some specific activity or training that foster equalities.

### **How Do AIF Participants Match Original Business Plans Targets in the Context of Equalities and Inclusion?**

6.2.13. This is challenging to answer given both the nature of the way targets were set, the tension between targeting methodology and programme design (see Section 3.2.), and particularly because AIF was subject to a series of major reprofiling exercises over all three phases for sound pragmatic reasons (see Section 3.3.).

6.2.14. In this context, it is probably more constructive to look at the critique of how AIF in total successfully and consistently reached people across the various targeted groups. AIF has been an important element in the foundations of a much larger policy and programme edifice and has played a particular role in mobilising expertise and capability outside of the mainstream actors in employability wellbeing and welfare. Whether it precisely met expectations set in summer 2015 is probably less core to the question did it contribute productively to a much wider challenge in Wales. This evaluation finds that it did.

6.2.15. Although outside the scope of this evaluation, there is potential value in a Welsh Government overview of ESF investment and impacts to assess how the various programmes in aggregate reached – or didn't reach – the groups targeted in relation to known need across Wales.

## **6.3. Has AIF Integrated Sustainable Development into Awareness Raising, Education and Training**

6.3.1. The core focus for AIF was to support people who were – or were emerging from – challenging circumstances. The programme emphasis was on acquiring necessary life skills and practical work-oriented training and placements. Sustainability is a meta objective but is not defined specifically in terms of award requirements or activities funded. In practice:

- a) Most beneficiaries had a commitment to sustainability which was manifest in diverse ways: an organisation whose core purpose is support for the survivors of domestic abuse may recycle or use fair trade products during day-to-day activity but will not have sustainability as a primary stated objective.
- b) A number of beneficiaries actively incorporate sustainability into their participant offer, and for some, sustainability is a core driver, for example in encouraging sustainable woodland management, understanding ecology, or creating jobs around the refurbishment of domestic furniture or equipment to reduce waste.
- c) The AIF data system includes validated data drawn from a requirement that beneficiary bodies record where participants have a specific activity or element in training and help that specifically addresses an aspect of sustainability: AIF data to 31<sup>st</sup> July records 12,707 participants engaging in such activity.
- d) In practice, the spectrum of attribution ranges from sustainability being core to the AIF project, to being relatively peripheral although evaluation field work supports the fact that sustainable development goals were widely but not universally reflected in AIF projects.

**Illustration:** engaging participants furthest from employment with complex physical & mental health issues including learning disabilities.

The project offered participants skills, work experience and qualifications, strengthened CVs and built confidence to look for paid work, for example, encouraging participants to consider what they would like to do, broaden their experience, encourage creativity. The beneficiary worked with local organisations that engaged in diversity e.g., some supermarkets, for placements. Participants shared experiences, challenges, and issues: they had regular outings to encourage a team ethos, e.g., collecting litter from a beach as part an environmental course. One participant (autistic) wrote a poem as a result.

*"I have made some really good friends"*

*"It's good to know we are not alone with our issues & difficulties – we can share frustrations"*

*"I have learnt to do presentations – I never thought I would be able to stand up in front of people and talk – I can. It feels great, I have so much more confidence."*

*"I used to be so nervous talking to other people, people I don't know, I don't worry anymore"*

*"I never would have imagined I would have enjoyed picking up litter from the beach so much – it was great fun, we had such a laugh and more importantly felt like we were doing good, this made me feel so good too."*

## 6.4. How Language Preferences were Identified and Met

6.4.1. The evaluation methodology included:

- a. Interviews with beneficiaries and participants specifically to amplify understanding of language preferences, plus two in depth observations with beneficiaries and participants specifically on this.
- b. A wider review into the enablers and barriers to the use particularly of Welsh in contexts such as AIF

6.4.2. A separate paper amplifies the summary findings set out below: *'Fostering the Use of Welsh: Lessons from the Active Inclusion Fund'*.

6.4.3. Overall, evaluation findings echo other research including a Citizens Advice Bureau report on the use of Welsh in public services, "English by default - *Understanding the use and non-use of Welsh language services*" (2015).

6.4.4. WCVA actively fosters Welsh and Welsh speakers were available for AIF. WCVA has a wider role in championing the use of Welsh as recognised by the Welsh Language Commissioners office.

6.4.5. **The Challenge:**

- a. A small proportion of AIF participants formally opted to use Welsh as a first language (2%), but outside specific engagement focused on the Welsh language, beneficiaries and participants typically raised no issues with language preference or use of English outside of strongly Welsh speaking areas (where WCVA developments over the course of AIF were broadly welcomed in terms of improving Welsh language services).
- 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. English tends to be accepted as the norm and as a default.
- d. Beneficiaries in strongly Welsh speaking areas viewed Welsh as important: it is in common use for the organisation 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 - important in supporting some vulnerable participants.

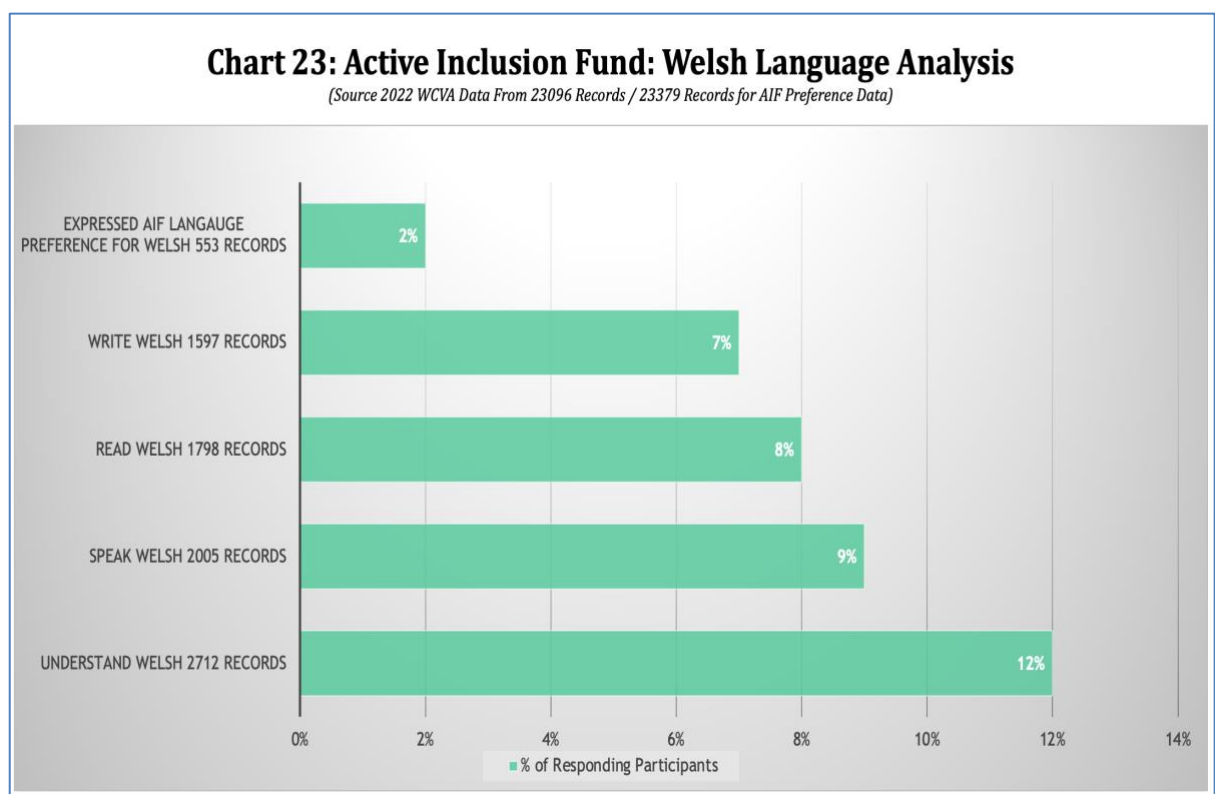
6.4.6. The 2% of AIF participants recorded as wanting to communicate in Welsh as a first language does not capture the extent to which the Welsh language was the medium of communication in AIF projects.



6.4.7. A significant number of beneficiaries embedded the use of the Welsh language in their relationships with participants in an informal social setting but did not view it as an integral part of the service provided for their clients. A minority used Welsh formally in skills training, but many more used Welsh informally with participants.

6.4.8. Welsh-speaking participants were happy to use Welsh as a medium of communication but were much less confident and reluctant to use Welsh in a formal sense, in particular in filling in official forms: however, many participants may be cautious about any engagement with ‘officialdom’

6.4.9. Charts 23 illustrates this in contrasting the 2% with the wider extent to which people potentially had Welsh language ability.



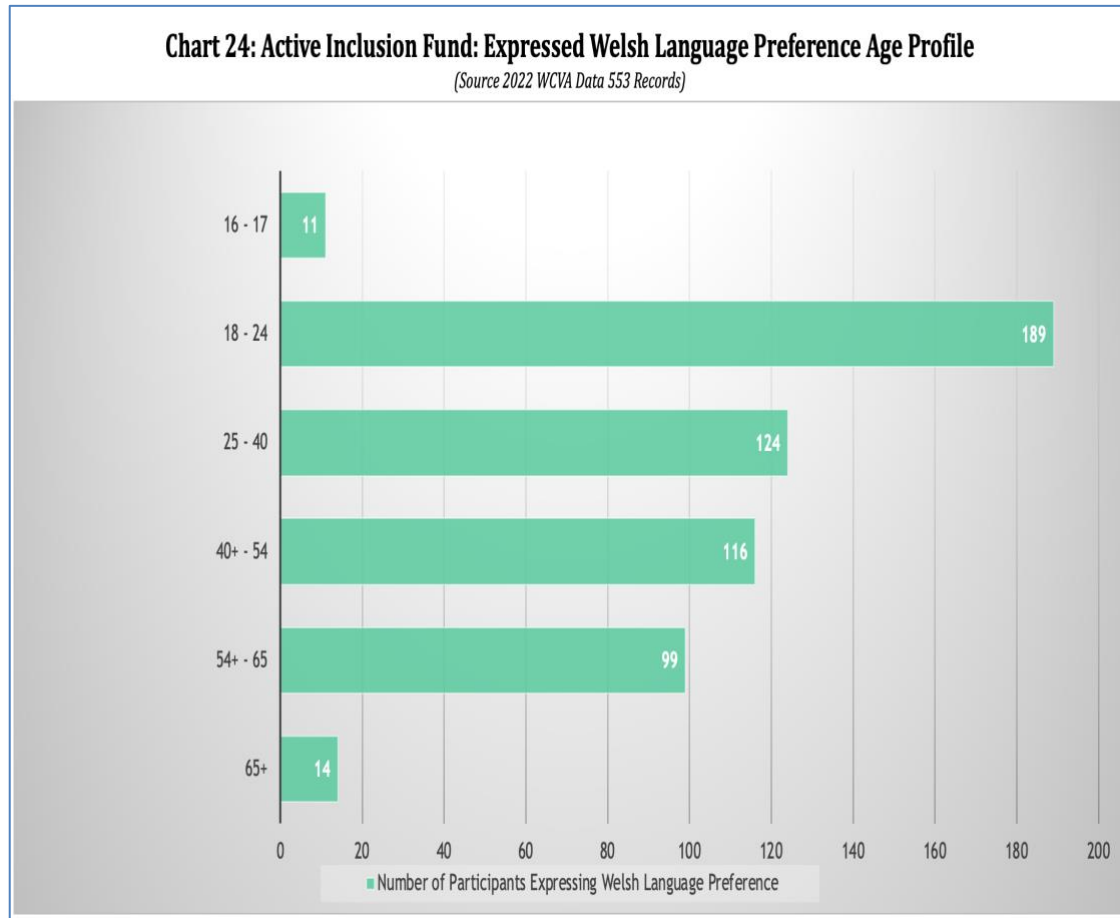
6.4.10. Welsh speaker reluctance in using Welsh language services is grounded in:

- a. Structural barriers with a lack of choice or ability to communicate in Welsh; and
- b. Behavioural barriers: 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’.

6.4.10. 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 that suggests a cultural as well as practical shift with more proactive use of Welsh as the default and English as a fallback not the default.

6.4.11. An illustration of this is the fact that of the 2% of participants actively wanting to use Welsh as a first language in AIF, the largest group were those aged 18 – 24 (see Chart 22 below).



6.4.12. The evaluation established that factors that mitigate in favour of fostering the use of Welsh 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. All specific functions within the administration of programmes should include fluent Welsh speakers.

- c. **Encouraging and adopting exemplars of best practice**, e.g., schemes such as 'Cynnig Cymraeg / Welsh Offer'.
- d. **Supporting staff** to have more confidence in 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**: ensuring organisational capacity to review the use of Welsh in documentation, websites etc. to over-come concerns about Welsh being 'too technical'.
- 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: 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).

6.4.13. Two beneficiaries interviewed dealt with participants seeking work whose first languages were Arabic and Urdu. AIF support aimed to improve opportunities to find employment and they joined AIF from a pool of students in their respective 'English as a Foreign language' courses to provide a pathway towards confidence building and developing skills.

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

### **7.1. Overview: Did AIF Work?**

7.1.1. AIF reached targeted groups and individuals and 'made a difference' in successfully helping many very challenged people.

7.1.2. Overall, AIF added a flexible element in Welsh employability policy with value in enabling highly tailored support where:

- a. Needs could not be wholly met by larger institutional approaches; and
- b. In engaging with groups that are characteristically outside the reach of mainstream employability initiatives.

7.1.3. AIF was distinctive in having a pan Wales reach yet the ability to operate at micro or local level, regionally or nationally across Wales (although the latter was unusual).

7.1.4. AIF had some distinctive facets that were keys to a successful outcome from the programme. Whilst not individually unique, when taken together they facilitated a specific contribution that other contemporary policies and programmes would have struggled to address.

7.1.5. This contribution was in no small part enabled by an unusually wide and inherent flexibility to respond to diverse local, individual, or specific needs: there was no formula or singular approach to engaging and helping participants.

7.1.6. AIF operated at the cusp of employability, welfare, and wellbeing objectives, and was therefore able to also address individual wellbeing, lifestyle, confidence, and soft skills which are as important as acquiring specific work-related skills in setting challenged people on a path towards and into employment or long-term volunteering.

7.1.7. The programme added value as a result of engaging diverse bodies with wide skills and experience to support equally diverse individuals and groups. In particular, it sustained and developed a voluntary sector role and capacity at scale to mobilise organisations who were typically most familiar with targeted groups or communities and who were able to apply an emotional intelligence to respond to their needs. This investment built on and developed a capacity which was created over a significant number of years through successive programmes (the key ones funded by ESF).

7.1.8. These beneficiary organisations were often small, dedicated and in some cases, staff may have experienced similar circumstances to their participants. They brought commitment and energy to create opportunities, for example, in finding or creating innovative opportunities, such as engaging with new (and often micro) local markets or economic activities that may have potential for growth. These 'niche' opportunities are often outside the purview of larger mainstream programmes.

7.1.9. AIF also added value in:

- a. Widening the pool of organisations with relevant local knowledge and mobilizing them to reach groups targeted by the programme.
- b. Extending community connection to reach targeted groups with community defined widely to include locality but also specific groups such as those recovering from domestic abuse, those with learning difficulties or Black, Asian and Minority Ethnic groups.

- c. At its best, in fostering local networking to bring organisations together co-operatively and to signpost people to appropriate support.
- d. Providing necessary (often essential) personalised and tailored support for participants: whilst not unique to AIF, the programme broadened the reach of Welsh employability programmes in those groups who were least likely to engage with more mainstream offers of support.
- e. Matching the right people to the right job or right outcome for the individual.
- f. Again, not unique, but in offering placements, AIF reduced the risk for employers: there was a familiar pattern whereby participants started by being supported or taking up placements and then went on to longer term employment or volunteering with the provider of support or the placement employer because of the familiarity created by initial support or placement.

7.1.10. 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.

7.1.11. Amongst a consistent recognition of the value of AIF and of the WCVA role in it, a consistent critique was that AIF administrative requirements and systems created wide frustrations. These systems were designed to meet EU requirements so a post Brexit policy and programme landscape is an opportunity to apply appropriate and proportionate systems in future. Section 3.2 explores this in more detail.

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"*

### **Issues Arising**

7.1.12. Also, three related questions arose that are not a critique of AIF but are considerations addressed in section 7.2 below in looking at learning for the future, namely:

- a. Support for the 'hard to reach / seldom heard': many participants benefitted from AIF support but remained distant from labour markets by dint of their circumstances: employability is an important focus, but

volunteering and constructive community engagement should continue to sit beside these objectives as successful outcomes: not everyone is likely to enter the labour market but there are still considerable benefits from supporting people towards more beneficial lifestyles.

- b. This extends to consideration of the value of developing pathways of support for such participants so that they have sustained and appropriate support for as long as they need it to move to better lifestyles and into employment, volunteering or whatever end point is appropriate to the individual (for example, AIF produced examples where participation resulted in individuals or groups taking responsibility for positive self-help or action to aid others outside the labour market).
- c. Although economic circumstances are fluid, many participants face uncertainties about the availability of suitable employment: looking forward, there is therefore value in developing closer relationships with 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. This might, for example, also include exploring opportunities and support through Corporate Social Responsibility commitments

## **Beneficiary Perspectives**

7.1.13. This evaluation confirms the value of engaging the third sector in future arrangements in terms of supporting those who are most marginalized or challenged for the reasons set out above and in earlier sections. This view is widely held, particularly - as might be expected by AIF beneficiary organisations - but also by wider stakeholders. In particular:

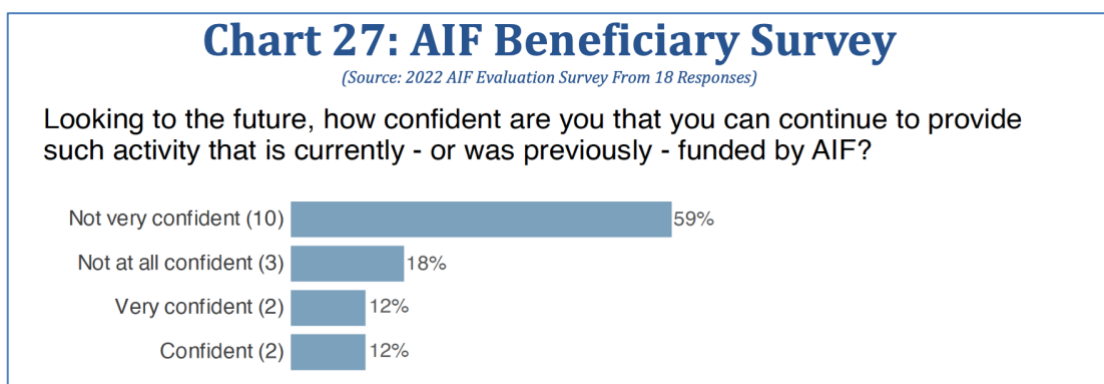
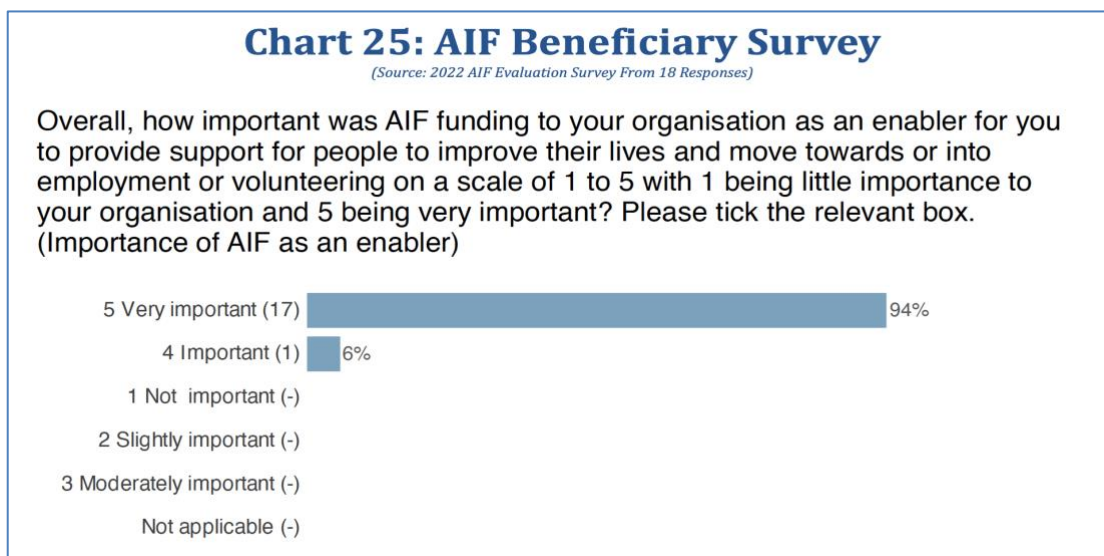
- a. There was a broad consensus that the voluntary sector has a valuable role to play in working with the 'hard to reach / seldom heard'. This is coupled to anxiety that future resources will be limited or non-existent and that this will undermine the ability of the voluntary sector to play a part and that people in the most challenged circumstances will 'fall through the cracks'.
- b. Whilst it would be wrong to imply that larger organisations (whether voluntary, public, or private sector) are incapable of emotional intelligence, it is reasonable to assert that institutional systems and programmes that operate at scale, are less suited to meeting highly tailored and individual needs of those people who are most distant from the labour market by virtue of their circumstances.

7.1.14. In addition to engaging a significant number of beneficiary organisations through interviews, case studies and focus groups in all phases of the evaluation, the evaluation tested beneficiary assessments of the value of AIF in a short survey in 2022.

7.1.15. Although the survey response rate was modest because some beneficiaries were ‘closing down’ AIF operations or working hard to complete funded projects it supports wider evaluation findings.

7.1.16. AIF was an important enabling resource; many beneficiary organisations would like to sustain activities previously supported by AIF but that resource constraints are likely to inhibit capability to do so.

7.1.17. Charts 25, 26 and 27 below illustrate this.



## 7.2. Lessons and Design Principles for the Future

7.2.1. This section distils how learning from the AIF experience might inform future policy and programmes in relation to those most marginalised or who are 'hard to reach / seldom heard'.

7.2.2. **Design Principle 1:** systems should provide longer term and consistent engagement with participants and improved inter-organizational co-operation and data sharing.

7.2.3. The emerging post Brexit employability and related welfare and wellbeing policy and programme landscape in Wales remains complex. Typically, past programmes have often been short term. This can be incompatible with the support needs of those in challenged circumstances who characteristically need sustained and consistent help to achieve more stable lifestyles and confidence building before developing workplace skills and experience.

7.2.4. Staccato and uncoordinated interventions by multiple organisations are not a recipe for success.

7.2.5. **Design Principle 2:** sustain continuity of participant contact and support for as long as it is needed.

7.2.6. People targeted for AIF support often needed a tailored route map if employment or volunteering are the outcome sought. This included 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.

7.2.7. Analogies can be drawn with professional coaching or therapy (and even parenting) where necessary support is provided but the aim is to build skills, capability, and confidence to create independence not dependency. This also suggests that programmes should be selective in engaging suitable support providers and setting criteria that test their capability in supporting participants in this tailored and specific way. Chart 28 below illustrates this might work.

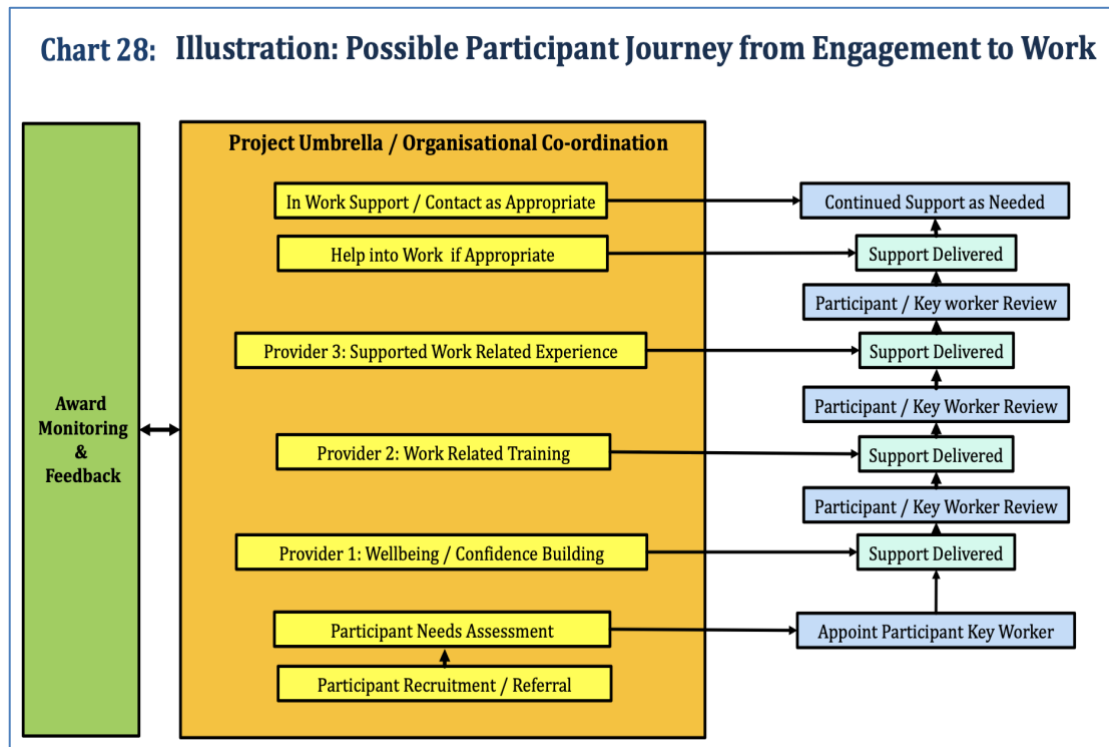
7.2.8. **Design Principle 3:** adopt and embed more systemic approaches to inter-organisational referrals, for example through general practices, job centres, social services, local authority economic development departments and, potentially, schools.

7.2.9. **Design Principle 4:** when supporting those facing the most severe challenges, embed collaborative triage processes for:

- a. Initiating participant engagement, activity; and



- b. Planning longer term support for individuals to involve key organisations who need to be engaged to plan pathways of support and appropriate mentoring and help (see also Chart 28 below).



7.2.10. **Design Principle 5:** support should be tailored to the individual and responsive to their needs. ‘Hard to reach’ people typically have multiple and complex needs and barriers to their engagement in employment so effective support needs to be understanding, responsive and sensitive to these needs. In particular participant trust is key with evidence indicating that staff or organisations with strong links to the community (defined broadly to include a place or a group) is often more effective, for example in working with specific ethnic minority communities.

7.2.11. **Design Principle 6:** support should combine help to overcome barriers and provide soft skills with more specific employment oriented help. Individuals with complex needs (for example, mental and physical health challenges, substance abuse, homelessness, criminality issues etc.) are likely to need support in addressing these barriers: i.e., a stable life first with support addressing self-efficacy and self-esteem issues as a pre-requisite to labour market participation i.e., building confidence.

7.2.12. **Design Principle 7:** accessing target groups: in addition to collaborative inter organisation referral systems and sharing intelligence, generating participant trust is crucial, particularly as those further from the labour market who may find ‘regular’ employment support programmes and training off putting

or have had negative experiences of employability schemes in the past. Therefore, providers of support need to understand the target group and their needs to ensure that interventions are a good 'fit' for the participants.

7.2.13. **Design Principle 8:** establish data sharing arrangements as part of programme design and monitor them.

7.2.14. **Design Principle 9:** apply consistent funding / match funding requirements: being NEET in East Wales may be as challenging as in West Wales and the Valleys so, for example, differential match funding between localities as existed under ESF are in the generality undesirable. It is the existence and needs of people who require support that is paramount.

7.2.15. **Design Principle 10:** clear programme targets are essential but place weight on the quality of outputs and outcomes for individuals and the longer-term value for those individuals and their communities. Therefore, apply numerical targets that are realistic in terms of local geographies and in terms of time scales for achievement. Targeting those in challenging circumstances and who may be wary is incompatible with very precise numerical targets at local level or to overly precise timetabling: 'it takes as long as it takes'.

7.2.16. **Design Principle 11:** establish a strategic overview function separate from (but related to) operational oversight for example to review outcomes and geographical impacts and if need be, to guide reorienting programme delivery if key targets in terms of outputs and outcomes for participants are not being met.

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

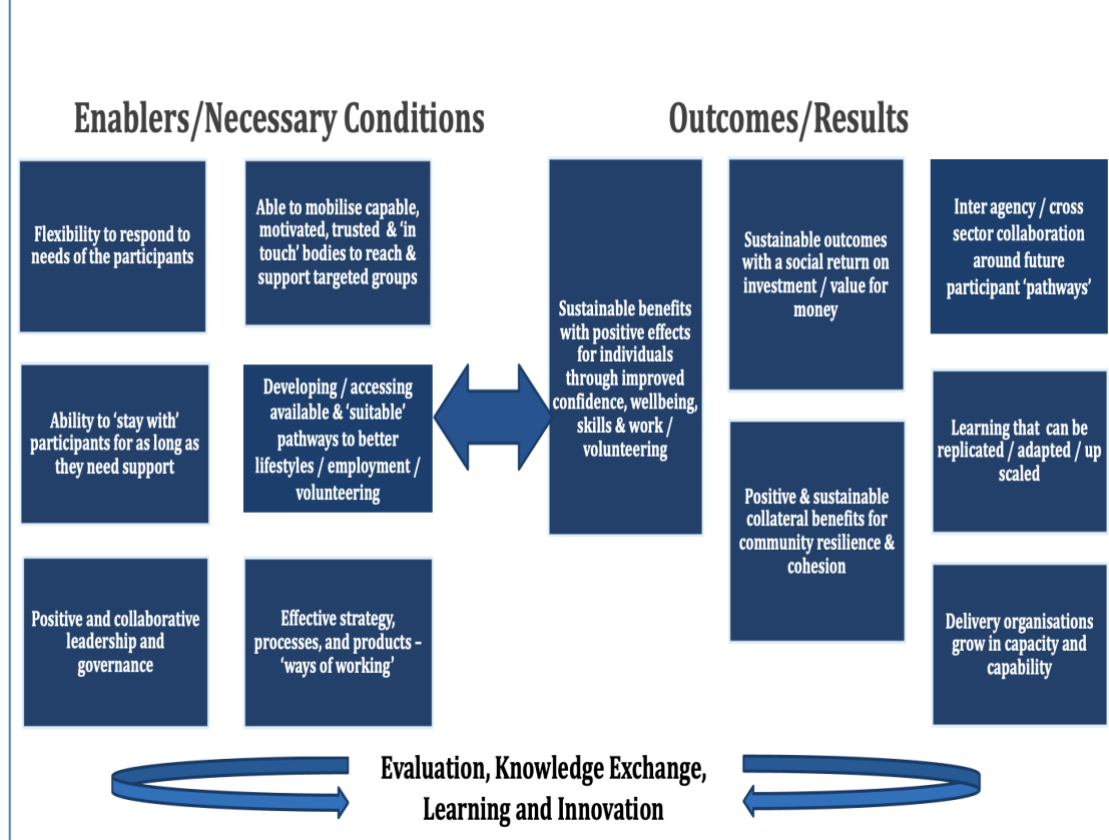
7.2.18. **Design Principle 13:** adopt a project data system with appropriate but user-friendly data input for administration but also to enable analytic capacity to monitor and assess outcomes and impacts involving a research professional/s versed in outcome and impact measurement and evaluation.

7.2.19. **Design Principle 14:** establish appropriate training, networking, and knowledge exchange for those providing support including exemplars of good practice from providers who are able and willing to share experience with others as a means to learn, consider what works and share best practice in participant terms.

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

7.2.21. Another lens to look at programme design that incorporates the essence of learning from the evaluation is shown in Chart 30 below which identifies the key enablers and conditions to achieve success together with the key outcomes and impacts that we suggest would and should accrue.

## Chart 29: Overview: Maximising Outcomes / Impacts



## Annex 1: The Programme Landscape During the Period that AIF was Operative

Programme / Funding Source	Local / Small Scale	Regional	Targeted to Localities or Relatively Tightly Targeted	Pan Wales With Broader Stated Targets	Stated Objectives Broadly Similar to AIF / Elements of AIF
AIF (ESF)				X	X
Jobs Growth Wales (ESF)			X		X
Restart (DWP)				X	X
Work & Health Programme (DWP)			X		X
Kickstart (DWP)			X		X
ReACT (Welsh Government)			X		
Communities for Work (DWP / ESF / WG)			X		X
Bridges to Work (ESF)	X				X
Parents Children & Employment (ESF)			X		X
Healthy Working Wales (ESF / DWP / WG)			X		X
Workways (ESF)		X			X
Achieving Change Through Employment (ESF)			X		X
OPUS (Regional Consortium)		X			
Working Wales (ESF)			X		
Taskforce for the Valleys (Welsh Government)		X			

Programme / Funding Source	Local / Small Scale	Regional	Targeted to Localities or Relatively Tightly Targeted	Pan Wales With Broader Stated Targets	Stated Objectives Broadly Similar to AIF / Elements of AIF
Better Jobs Closer to Home (TUC)	x				
Can Do Wales (Lottery)		x			x
Step Into Work (Lottery)	x				
Dynamic Futures (Lottery)	x				x
Community Wellbeing & Employment Pathway (Lottery)	x				x
Future Factory (Lottery)	x				
Building a Legacy (Lottery)	x				
Qualified / Resilient / Empowered (Lottery)	x				x
Plant Dewi Young Parents Project (Lottery)	x				
Community Legacy Project (Lottery)	x				
Working Skills for Adults (ESF)		x			
Nurture Equip Thrive (ESF)		x			
Journey 2 Work (ESF)		x			x
Upskilling@Work (ESF)			x		
Inspire 2 Work (ESF)		x			
Inspire 2 Work (2) (ESF)		x			x