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# Final evaluation of the ReAct programme 2008-2014

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## **Glossary**

APS	Annual Population Survey
BME	Black and Minority Ethnic
CATI	Computer-Assisted Telephone Interviews
CCT	Cross-cutting themes (European Union objectives to promote equality and diversity and environmental sustainability via the social and economic projects it funds)
EDMS	European Data Management System
ELWa	Education and Learning Wales
ERS	Employer Recruitment Support (one strand of the ReAct support programme)
ESF	European Social Fund
ETS	Employer Training Support (a further strand of the ReAct support programme)
ICT	Information and Communications Technology
ILO	International Labour Organisation
JCP	Jobcentre Plus
NVQ	National Vocational Qualification
SSC	Sector Skills Council
TEC	Training and Enterprise Council
TUC	Trades Unions Congress
WEFO	Welsh European Funding Office
WG	Welsh Government

## **Executive summary**

### **Background: the ReAct programme**

The aim of the Redundancy Action Scheme (ReAct) is to prevent long-term unemployment by providing pathways to employment for those recently or about to become unemployed.

The basic mechanisms of the programme are: (1) a grant (up to £2,500 initially, reduced later to £1,500) paid to redundant workers to fund all or part of training they undertake to improve their chances of re-entering work; (2) Employer Recruitment Support (ERS) – a grant (of up to £2,080 and later £3,000) to employers to subsidise the wages of redundant workers they take on; (3) Employer Training Support (ETS) – a grant to employers (of up to £1,000) to fund up to 70% and later reduced to 50% of the cost of training redundant workers whom they recruit (4) support to remove barriers to training (unlimited initially and later up to £200 (help with childcare up to £2,600)).

In delivering the programme, the Welsh Government's ReAct management team was assisted by several partners. Careers Wales, the national careers guidance service for Wales, acted as a point of entry to the programme for individuals and as an initial source of advice on the types of training which were likely to offer the best chance of finding new employment and on suitable training providers. ReAct worked with Jobcentre Plus to provide a comprehensive support programme for redundant workers – ReAct support complementing the services and products offered by Jobcentre Plus. ReAct also worked with Trade Unions during large-scale redundancies to ensure all workers were made aware of the available support and with Sector Skills Councils to ensure programme design and delivery met industry needs.

ReAct was delivered across Wales. It was partly funded by ESF and contributed to ESF funding priorities for Convergence areas (Priority 2, Theme 1: 'Increasing Employment and Tackling Economic Inactivity') and for Competitiveness areas (Priority 1: 'Increasing Employment and Tackling Economic Inactivity'). This evaluation focuses on delivery during the 2007-2013 ESF Programme Period.

## Methodology

The inputs to the final evaluation of ReAct were:

<b><i>Input</i></b>	<b><i>Description</i></b>
Employer survey	A survey of 304 employers supported by ReAct II
Participant survey	Data on 1,080 ReAct II participants in the Convergence area and on 671 ReAct II participants in the Competitiveness area are extracted from the 2014 ESF Leavers Survey
Management information	Analysis of management data generated in the course of ReAct's delivery and extracted from the programme's management information system and final audited funding claim report
Manager and delivery partner perceptions	Perspectives on ReAct deriving from 14 depth interviews with government officials and representatives of partner organisation
Employers	10 in-depth discussions with employers to supplement statistical data from the quantitative employer survey
Training providers	10 in-depth discussions to supply a provider perspective on ReAct II
Interim evaluation findings	Secondary evidence to inform final evaluation conclusions. Comparison of earlier and later evaluation periods where possible
Impact and cost benefit analysis	Estimation of ReAct II's wider economic effects and of its value for money

## Key Findings

ReAct is widely successful in what it seeks to do – to support redundant workers and give them suitable training in skills related to economic demand for skills; and to subsidise employers to recruit redundant workers, give them further training, and retain them in sustainable work.

### *Targets and outputs*

The programme supported 26,498 participants and 2,085 employers. 19,174 qualifications were achieved.

A fundamental point is made that the programmes original 'targets' were somewhat arbitrary because the numbers and demographic profile of people

who would become redundant and would seek ReAct support could not be predicted in advance. However, if the numbers and distributions of participants which were originally approved in 2008 are considered as targets, then:

- The programme greatly exceeded those targets in volume terms (and was close to achieving final forecasted figures).
- But initial expectations for the distribution of participation across socio-demographic groups were not met and this largely continued to the end of the programme.
- In financial terms, ReAct operated within its approved budget (£76m).

#### *Impact on redundant individuals*

The evaluation observed a wide range of benefits for individuals in terms of qualifications and ‘hard’ and ‘soft’ skills gained from the programme and of their likelihood of returning to work. Attitudinal and motivational gains were common, alongside improved confidence and high levels of satisfaction. Short courses and vocationally-specific training were most valued.

Workers recruited with ERS were most often playing responsible roles in their employers’ businesses. A high proportion of these participants achieved employment. There are indicators that the sustainability of that employment is not dissimilar from the level sustained in Welsh employment generally.

#### *Impact on employers*

Assistance with workers’ wages was reported as a considerable benefit. Employers reported a wide range of benefits for employers in terms of gaining motivated and skilled workers which brought benefits to the business such as increased capacity and efficiency.

A majority of employers reported that ETS made them more likely to subsequently invest in training as a result of their involvement with ReAct.

#### *WEFO cross-cutting themes*

The evaluation shows that targets for the inclusion of particular socio-demographic groups were frequently not met (but, as above, this is mainly a demand effect, not a failure of policy or procedure).

There has been widespread effort by ReAct managers to promote the improvement or establishment of employer policies in respect of Environmental Sustainability and Equal Opportunities. This included much attention to raising employer awareness of the importance of having systematic policies and procedures on these matters in the workplace. Database records and employer survey data suggest, however, that only small minorities introduced new policies or enhanced existing ones.

### *Welsh language*

Action in support of the Welsh language was reactive to demand rather than being evidently proactive. Little demand for provision of training in or through Welsh arose, but where it did arise, it was met.

### *Partnership*

Programme partnership involving the Welsh Government's ReAct team, Jobcentre Plus, Careers Wales, and training providers was generally perceived as highly effective and as working well by all partners. The role of the Wales TUC and Sector Skills Councils was also valued.

### *Administration*

A number of administrative issues were raised by government officials and ReAct's delivery partners. These concerned:

- The high volume of data which ESF regulations require.
- Form-filling errors by applicants.
- Repetitive paperwork requirements.
- The speed with which some applications were processed.

However, overall, it was recognised that the 'paperwork burden' was necessary to meet the evidence demands of public funding and it was not perceived that administrative issues have been a major barrier to ReAct's effectiveness.

### *Best practice*

ReAct was found to be successful in a range of areas:

- The programme retained a high level of support from the Welsh Government and its partners.
- The partnership involved in delivery was successful.
- The demand-led approach to training by which individuals (albeit with guidance) and employers specified the training they want was effective.
- A reduced Welsh Government management team controlled programme administration and expenditure effectively.
- Reduction in the level of training grant introduced in 2011 mainly increased value for money rather than reduced the quality of training.

### *Cost benefit analysis*

The mid-term evaluation reviewed the impact in terms of employment outcomes and training participation by comparing experiences of ReAct participants with experiences of individuals who had been in similar situations but had not received ReAct support.

This assessment found that those who had been employed using ERS were in most cases no more likely to be employed than those who had not been a ReAct participant. ReAct support seemed to have a more pronounced effect upon respondents' chances of finding and retaining alternative employment at either end of the age spectrum and with small businesses (those employing fewer than 10 people).

In respect of participation in ReAct funded training, deadweight was found to be low. Evidence suggests as a result of qualifications gained on the programme, gains in future earnings of ReAct participants will, over estimated future working lives, be greater than the costs of the programme.

### **Recommendations**

- Recommendations made in the mid-term evaluation report have been acted upon, or, in some cases, proved not to be operable or were dismissed. Bearing in mind these constraints, recommendations comprise.
- Review administrative and data procedures and protocols to seek improvement in their consistency and greater simplicity wherever possible.
- Consider and implement evaluation methodologies which clearly establish impacts.
- Continue to explore and then use flexibilities within the mode of operation to maximise the programme's ability to achieve specific objectives and to increase the programme's additionality.
- Strengthen capacity to influence employer approaches to equal opportunities and environmental sustainability.

# 1. Background: the ReAct programme

- 1.1 This chapter describes the origins, development, and some main characteristics of the ReAct II programme. Objectives of this evaluation are set out.

## Key points

- The ‘Redundancy Action’ or ReAct programme to support redundant workers originated in the 1990s.
- ‘ReAct I’ was a phase of the programme between 2008 and 2011 supported by Welsh Government and European Funding.
- That phase had three main objectives: to provide a grant to help pay for individual redundant workers’ training; to provide a work subsidy to employers to accelerate their recruitment policies and employ a redundant worker; and to provide additional support to help the employer meet the cost of updating the skills of the redundant worker.
- The ReAct II phase, between 2011 and 2014, maintained these basic objectives but some adjustments to the level of grants were made.
- The objective of the evaluation is to assess ReAct’s performance in meeting programme targets, assisting redundant workers and employers, and delivering added value and value for money. The evaluation seeks to guide the operation of ReAct III, the successor programme to ReAct 2008-2014.

## Summary: ReAct’s history

- 1.2 As a programme of some longevity, ‘ReAct’ has had several phases. Before describing the phases in more detail, a table summarises these<sup>1</sup>:

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<sup>1</sup>The ESF project ran from 01 October 2008 to 30 September 2015. Expenditure and data were included in the ESF claim for participants up to and including end September 2015 but no new ESF participants started after 30 June 2014. Participants approved from 01 July 2014 to 31 March 2015 were not included in the ESF project.

<b>ESF Programme</b>	<b>Name/Delivery Phase</b>	<b>Start Date</b>	<b>End Date</b>
2000 – 2006	Redundancy Action – ReAct	01 June 2004	30 September 2008
2007 – 2013	ReAct/ReAct I	01 October 2008	30 March 2011
2007 – 2013	ReAct/ReAct II	01 April 2011	30 June 2014
2014 – 2020	ReAct/ReAct III	01 April 2015	31 March 2018

### **Early years of support to redundant workers: ReAct during 2003-2008**

- 1.3 ‘Redundancy Action’ or ReAct evolved from a bespoke redundancy support package developed by the West Wales Training and Enterprise Council (TEC) in the mid-1990s in response to redundancies at Lucas SEI, Ystradgynlais. Its success in providing rapid, targeted support to redundant workers meant that it was quickly adopted by the other regions in Wales and used to support all large-scale redundancies.
- 1.4 Merger of TECs with the Further Education Funding Council for Wales in April 2001 to form ELWa paved the way for this innovative redundancy support package to be made available to all redundant workers in Wales. In June 2003 these redundancy support packages were brought together under the ReAct banner and an all-Wales redundancy support brand was introduced. This programme was flexible enough to respond to diverse requirements throughout Wales whilst operating within the National Assembly’s remit and complying with European State Aid rules and ESF funding regulations. ESF funding was available to the programme from June 2004. A process of continuous refinement then allowed the programme to develop to a point such that, as the global financial crisis emerged, it was able to become a leading element in Welsh Government support to economic renewal and adaptation.

### **Emergence of ‘ReAct I’ in 2008**

- 1.5 Thus, ReAct I (as a distinct 3-year period of the programme supported by ESF funding) was launched in October 2008, with strong support from Trades Unions in Wales, to complement provision offered to redundant workers by Jobcentre Plus and Careers Wales and to

address targets and aspirations set out in the Welsh Government (WG) strategy 'Skills That Work for Wales'<sup>2</sup>. That strategy outlined ReAct I's role of equipping people with the skills they need in the modern labour market and referred to it as a key programme in responding to changing employment patterns. ReAct I was expected to contribute directly to creating a strong and enterprising economy in Wales through full employment based on quality jobs. To achieve this, ReAct I aimed to up-skill redundant workers to ensure they were equipped with the skills required by employers in Wales. It was expected that this would encourage and stimulate enterprise, support companies to grow and invest, and lead towards full employment, thus contributing to the achievement of wider WG targets.

- 1.6 ReAct I, which was delivered across Wales, was partly funded by European Structural Funds (ESF) and as such contributed to ESF funding priorities for Convergence areas (Priority 2, Theme 1: 'Increasing Employment and Tackling Economic Inactivity') and for Competitiveness areas (Priority 1: Increasing Employment and Tackling Economic Inactivity').
- 1.7 The main aim of ReAct I was to respond quickly and positively to all redundancy situations through a series of measures designed to alleviate the negative effect of redundancy and provide redundant individuals with the skills necessary to secure new, sustainable employment in the shortest time possible. This was translated into the following objectives.
- To ensure that, within the first six months of redundancy, all redundant workers in Wales were provided with the opportunity to have their skill levels assessed and updated to ensure that they had the necessary skills to secure new, sustainable employment. ReAct did not procure training but provided a grant to help pay for training and other associated expenses (e.g. travel, child care) identified by Careers Wales as likely to improve a redundant worker's chance of returning to work.
  - To provide a work subsidy to local employers to accelerate their recruitment policy and employ a redundant worker.

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<sup>2</sup> Welsh Government (2008), Skills That Work for Wales, <http://gov.wales/docs/dcells/publications/081217stfwstrategyandactionen.pdf>

- To provide additional support to help the employer meet the cost of updating the skills of the redundant worker, to promote a culture of lifelong learning, and to improve the likelihood of the employment continuing.

### **Evaluation of ReAct I 2008-2011**

1.8 ReAct I was subject to a mid-term evaluation in 2011. This evaluation showed, in essence, that in this phase:

- at the time of the evaluation, programme outputs were broadly on track to meet its main targets for those outputs
- the adult guidance received by participants was well received
- vocational training support under the programme was effective in substantially raising the likelihood of participants undertaking training (compared with the counterfactual of their not participating in the programme) particularly if they lacked qualifications prior to their participation.
- participants were, correspondingly, significantly more likely to gain qualifications than non-participants
- the programme had only very modest additionality in respect of entry to employment (participants being only slightly more likely to be in employment than non-participants and the study showing that ReAct I Employer Recruitment Support made relatively little difference to employer recruitment decisions). There was also some diminution of the quality of participants' post-ReAct I jobs compared with that of their pre-ReAct I jobs
- correspondingly, as well as recommendations to improve monitoring, to introduce longitudinal evaluation, and to speed up training processes, the study made recommendations on programme targeting in order to increase its additionality.

### **ReAct II: 2011 to 2014**

1.9 By 2011 (and the end of the ReAct I ESF funding phase) the rationale for the programme remained strong. To some degree, effects of the 2008/09 recession had eased. For example, the number of business

closures in Wales fell from around 10,000 in 2009 to around 8,400 in 2011. However, the unemployment rate in Wales (8.2% on the 'ILO' measure in 2009) had not reduced (8.3% in 2001)<sup>3</sup>. Two further phenomena were seen as important justifications for continuation of ReAct<sup>4</sup>. First, it was foreseen that tight public sector budgets in years from 2011 onwards would continue to lead to redundancies directly in the public sector and indirectly in other sectors dependent on public expenditure. Second, it was observed that the direction of travel in Wales' occupational structure and related skills needs was towards demand for higher average skill levels. The ReAct approach, a programme which could simultaneously respond quickly to redundancy situations and raise skill levels as needed more generally by the economy, was, thus, highly likely to continue to be important.

1.10 Extended funding for ReAct was sought and approved. The basic objectives and structure of ReAct II, in essence, remained the same as those of ReAct I; that is, having a dual focus on redundant individuals and on employer recruitment and training of redundant workers. The objectives of ReAct II (as set out in the programme's Business Plans for the Convergence and Competitiveness areas of Wales) were as follows.

- 'To ensure that within the first six months of redundancy, all redundant workers in Wales are provided with the opportunity to have their skill levels assessed and updated to ensure that they have the necessary skills to secure new, sustainable employment. This will be achieved through collaboration between the major support agencies in Wales, namely, Careers Wales, Jobcentre Plus, the TUC and the Welsh Government.'
- 'To provide incentives to local employers to accelerate their recruitment policy and employ a redundant worker. To provide additional support to help the employer meet the cost of updating the skills of the redundant worker to engender a culture of lifelong learning and improve the likelihood of the employment continuing.'

1.11 However, in this renewed phase of ReAct, the then Deputy Minister for Science, Innovation and Skills agreed a number of changes to the

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<sup>3</sup> Business closures and unemployment statistics from the 'Stats Wales' website

<sup>4</sup> Convergence and Competitiveness area Business Plans for ReAct II funding, WEFO

programme to improve its effectiveness and to reduce expenditure to affordable levels. With the following changes the programme commenced its second funding phase, from 2011 to 2014, under the name ReAct II<sup>5</sup>.

- Removed previous entitlement to support individuals living outside Wales whilst under notice of redundancy.
- Reduced the maximum of vocational training grant from £2,500 to £1,500.
- Increased the wage subsidy from £2,080 to £3,000.
- Removed support for workbooks and training materials from the Extra Support element of ReAct.
- Limited the remaining Extra Support elements to a maximum grant of £200.
- Reduced the ReAct contribution towards in-work training costs to be aligned with the wage subsidy from 70% to 50%.
- Removed the level of wage subsidy payable for part-time workers.

### **More detailed aspects of ReAct II's design and delivery**

#### **Eligibility criteria**

1.12 The following eligibility criteria applied to individual participants applying for support from the programme.

- (a) *Must have been made redundant in the 6 months prior to application or be under notice of redundancy.*

This was to ensure that support was targeted at individuals who were likely to benefit most from the flexible approach adopted by ReAct II. Individuals who were outside this window at time of application were directed to Work Based Learning where the more formal, structured approach was likely to better suit their needs.

- (b) *Must be unemployed or under formal notice of redundancy at the time of application*

This was to ensure compliance with the ESF eligibility requirements pertaining to the Priorities that underpin ReAct II support.

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<sup>5</sup> This programme closed for new business at the end of June 2014.

- (c) *Must not have been in continuous employment for 6 weeks or more since being made redundant.*

If a redundant worker was able to secure employment without retraining the case for support through ReAct II was not proven.

- (d) *Must be resident in Wales on the date notice of redundancy is issued by the shedding employer.*

This was to ensure that only individuals entitled to support benefit from ReAct II and to prevent individuals moving to Wales after redundancy to access support.

- (e) *Must be checked that they are not eligible as an early entrant for the Jobcentre Work Programme.*

This was seen as extremely unlikely given the current entry requirements for the programme, but if overlap did exist priority would be given to Work Programme eligibility.

- (f) *Not undertaking (or have not undertaken) any training funded directly, or indirectly, by public funds (including Work Based Learning).*

This condition was designed to prevent individuals accessing more than one funding stream for the same training and to prevent individuals leaving Work Based Learning to access ReAct II.

- (g) *The job supported by a ReAct II wage subsidy had to be:*

- at least 16 hours per week – minimum number of hours to be classed as employment
- not supported by other public or European funds – to prevent double funding issues
- expected to last for at least 12 months – employment subsidy payable over 12 month period
- eligible for support under State Aid rules – all applications are checked to ensure compliance.

- (h) *All applications for support had to be approved by the ReAct II team before training or employment started. Applications which did not meet this rule, for whatever reason, were not considered.*

This eligibility criterion was designed to ensure compliance with ESF added value criteria.

## **Data management**

- 1.13 The ReAct II project, along with the other ESF-funded projects in Wales, used a database called EDMS (European Database Management System) to manage all aspects of project delivery. This database is linked to the Welsh Government's accounting database to ensure that only defrayed expenditure is included on ESF claims. The EDMS database also holds all monitoring information and project outcome details and produces regular progress reports to aid ongoing evaluation and development.

### *External relationships*

- 1.14 Careers Wales, the national careers guidance service for Wales, provided a service to ReAct as a point of entry to the programme for individuals and as an initial source of advice on the types of training which were likely to offer the best chance of finding new employment and on suitable training providers. All individual applicants were required to have their training needs assessed by Careers Wales and were then advised on suitable training courses and training venues and were guided through the process of application for ReAct support.
- 1.15 The ReAct management team worked with Jobcentre Plus to provide a comprehensive support programme for redundant workers. ReAct was designed to complement the services and products offered by Jobcentre Plus. Where overlap existed, ReAct eligibility rules stated that priority should be given to the Jobcentre Plus initiative.
- 1.16 ReAct also worked with Trade Unions during large-scale redundancies to ensure all workers were made aware of the available support. Where the Wales Union Learning Fund was used to support redundant workers, ReAct worked with the relevant union to seek to ensure that there was no overlap with the support offered.
- 1.17 ReAct met regularly with key Sector Skills Councils to ensure programme delivery met industry needs. During the course of ReAct I this liaison resulted in a number of changes to the conditions under which a grant was awarded. Three key changes, which were perpetuated under ReAct II, were as follows.
- SummitSkills (the Sector Skills Council for the plumbing industry) informed ReAct that in order for a redundant worker to become a plumber, they would need to train to NVQ level 3 and this would involve spending time with a qualified person in the field. At the

time, many of the courses supported by ReAct were at NVQ level 2 and individuals were experiencing difficulty obtaining work following training. As a result, all vocational training applications where the individual wished to train as a plumber had now to be at level 3 and had to be accompanied by a letter of intent from a qualified plumber agreeing to provide work experience.

- Following a series of meetings with Skills for Logistics, several changes were made to the way in which driver training was supported through ReAct in order to remove waste from the system. As a result, LGV training providers had to undertake a thorough evaluation of the ability of the trainee before training started, with positive effects on the number of individuals achieving a licence.
- As a result of meetings with Construction Skills, the construction courses supported with a ReAct grant were limited to NVQ level 2 as a minimum. This change was designed to eliminate the 'taster' courses provided by some training providers as a means of entry into the construction industry as they did not meet industry requirements.

#### *Cross Cutting Themes (CCT)*

- 1.18 ReAct, as with other publicly funded programmes in Wales, was required to advance Welsh Government and European Union objectives in respect of Equal Opportunities and Environmental Sustainability.
- 1.19 Thus, as set out in the Business Plans for ReAct II, it was intended that ReAct II should have the following summary features.
  - ReAct II project monitoring staff should assess participating employers on their current Equal Opportunities and Environmental Sustainability management systems after receiving their first claim for the wage subsidy (at 13 weeks) during routine monitoring interviews. Each employer should be asked a series of questions in order to evaluate their current CCT management systems. A variety of advice, guidance, and signposting to further assistance and training should be provided in order to enhance their current Equal Opportunities and Environmental Sustainability systems or help to put in place new ones.
  - All marketing materials designed for the project should comply with current Equal Opportunities legislation and should be designed to

send positive messages and take opportunities to promote images that counteract stereotypes.

- The ReAct II programme should provide an all-inclusive approach by ensuring that all individuals are assessed, skill shortages are identified and a tailored package of support is put in place to afford them the best chance of securing new, better paid employment.
- The project should subsequently monitor the sex, caring responsibility, Welsh language skills, disability, work limiting health condition, age, ethnic origin and migrant worker status of applicants through information collected at enrolment. This information should be used to analyse the accessibility of the programme to all and to inform ongoing development; particularly the implementation of measures designed to overcome any barriers the project may present to particular groups.
- Steps to ensure Environmental Sustainability should be adopted throughout the programme, including the following.
  - Produce and issue an information poster to all participating training providers and employers highlighting good environmental practice.
  - Use ReAct literature and the ReAct website to signpost participants to the websites of other organisations specifically targeting environmental sustainability.
  - Ensure all ReAct literature, including application and claim forms were printed on recycled paper.
  - Wherever possible, email should replace paper correspondence including approval letters to applicants.
  - Requests by applicants for financial assistance for travelling to and from training venues should be considered on the environmental impact and not just on cost.
  - Employers who applied for ReAct support should be encouraged to provide environmental training as part of their development plans of the new worker.
  - All applications for support from employers should be considered on how their business impacts the environment with the worst offenders having their application refused. Conversely, added incentives should be introduced to

encourage the development of companies with sound environmental strategies.

- Wherever possible, individuals would be expected to train at a local venue to minimise travel and the impact on the environment.
- Monitoring of the programme should be reviewed and streamlined to reduce the amount of travelling involved, with better use being made of telephone interview techniques, email questionnaires and video link.
- The ReAct website should be developed to include electronic copies of all forms and guidance.

### *Welsh language*

- 1.20 It was intended that the ReAct programme should adhere to the Welsh Government's Welsh Language Policy and that all programme literature should be produced bilingually. Participants should be able to apply in either Welsh or English and be able to speak in Welsh to a member of the ReAct team if they prefer.

### **Evaluation of ReAct**

- 1.21 The overarching aim of this final evaluation is to evaluate ReAct and, specifically, to achieve the following objectives.
- To measure the effectiveness of the performance of the ReAct programme against target indicators.
  - To assess the added value and impact of ReAct on redundant individuals including:
    - the effect, if any, the support had on participants gaining relevant skills and subsequently entering sustainable employment
    - the extent to which their expectations and requirements were met.
  - To assess the added value and impact of ReAct on employers including:
    - to what extent the training delivered under ReAct has met employers' expectations and requirements

- to what extent ReAct has contributed to employers taking on redundant individuals and sustaining employment beyond ReAct funding.
- To assess how effectively delivery partners (i.e. Careers Wales) assessed training needs and provided advice for suitable training courses to lead to a successful up-skilling of the participant.
- To assess the effectiveness of measures implemented to achieve targets with regards to the Welsh European Funding Office's (WEFO) cross-cutting themes.
- To assess the value for money aspect with regards to funding spent on the delivery of ReAct versus the return in terms of achieved outputs and outcomes.
- To review the overall development, management and implementation of the programme and changes made to the programme since the mid-term evaluation to:
  - highlight areas of good practice
  - highlight areas that require improvement and further development
  - develop recommendations to inform the policy design for the next round of funding (2014-2020).
- To explore whether and to what extent activities delivered under ReAct have contributed to (and are compatible with) the wider WG policy objectives to increase Welsh language skills amongst the workforce. This should include the following.
  - Measuring whether, how and how effectively Careers Wales have identified requirements for and advised on: a) training delivered through the medium of Welsh, and b) Welsh language skills training.
  - Exploring the extent to which participants/employers were able to access training delivered through the medium of Welsh or Welsh language skills training, when this was required.
  - Measuring how and how effectively training providers have delivered Welsh language skills training or training through the medium of Welsh, when this was required.

1.22 Following sections of the report describe the evaluation method, set out the findings on which evaluation is based, and draw summary conclusions. Findings are separated into those which describe the **outputs** of ReAct (the programme's achievements against targets), the programme's **delivery process** (strengths and weaknesses in the programme's management and organisation), ReAct's **outcomes** (its benefits for individuals and employers), and the programme's **value for money**.

## 2. Methodology

2.1 This chapter explains the methods used to evaluate ReAct II.

### Key points

- The inputs to the final evaluation of ReAct are summarised as:

<b>Input</b>	<b>Description</b>
Employer survey	A survey of 304 employers supported by ReAct II
Participant survey	Data on 1,080 ReAct II participants in the Convergence area and on 671 ReAct II participants in the Competitiveness area are extracted from the 2014 ESF Leavers Survey
Management information	Analysis of management data generated in the course of ReAct's delivery and extracted from the programme's management information system and final audited claim report
Manager and delivery partner perceptions	Perspectives on ReAct deriving from 14 depth interviews with government officials and representatives of partner organisation
Employers	10 in-depth discussions with employers to supplement statistical data from the quantitative employer survey
Training providers	10 in-depth discussions to supply a provider perspective on ReAct II
Interim evaluation findings	Secondary evidence to inform final evaluation conclusions. Comparison of earlier and later evaluation periods where possible
Impact and cost benefit analysis	Estimation of ReAct II's wider economic effects and of its value for money

## **Introduction**

2.2 The evaluation in this report considers ReAct in both its 2008-2011 phase and the later 'ReAct II' phase. The evaluation inputs on which this report is based include:

- a survey of 304 employers who have been assisted by ReAct II
- an analysis of survey data on ReAct II participants extracted from the 2014 European Social Fund Early Leavers survey (1,080 participants from the Convergence area and 671 participants from the Competitiveness area)
- depth interviews with 14 representatives of organisations involved in the management and delivery of ReAct
- a review of management information on participation and achievement from ReAct from 2008 to 2014 and analysis of the final audited claim report
- depth interviews with small samples of employers (10 cases) and training providers (10 cases) involved in ReAct II
- a review of the interim evaluation findings
- comparison of earlier (ReAct I) and later (ReAct II) evaluation periods where possible
- an impact and cost-benefit analysis of ReAct II

2.3 These elements are described individually below.

### **Survey of employers**

2.4 Details of 1,619 employers who had received ReAct II funding (between 2011 and 2014) as a wage subsidy for a previously redundant worker and, in some cases, as a contribution to the cost of training the worker were supplied to the contractor by the Welsh Government.

2.5 Efforts were made to interview a sample of 400 of these employers in a telephone survey undertaken between April 8<sup>th</sup> and May 11<sup>th</sup>, 2015. In the event, 304 interviews were achieved. The shortfall below target was caused by there being insufficient information on the employer to allow a telephone number to be identified, by the inability to contact some potential respondents because of their unavailability, or by the refusal of some potential respondents to take part in the survey.

- 2.6 The response rate of the survey, calculated as the number of respondents who took part in the survey as a proportion of the number of all respondents with whom contact was made, is 31%.
- 2.7 Some basic characteristics of the achieved sample of employers are set out in Table 2.1

**Table 2.1: Characteristics of organisations in the employer survey sample, percentages**

Convergence area	63
Competitiveness area	31
Not known	6
<b>Total</b>	<b>100</b>
Single site organisation	68
Multiple sites	32
<b>Total</b>	<b>100</b>
Single site or HQ in Wales	95
Branch with HQ elsewhere in UK	4
Branch with HQ in Europe	1
<b>Total</b>	<b>100</b>
1-9 employees (on site of interview)	47
10 - 49 employees (on site of interview)	34
50-249 employees (on site of interview)	13
250+ employees (on site of interview)	5
Not known	1
<b>Total</b>	<b>100</b>
Agriculture, Utilities	3
Manufacturing	24
Construction	14
Retail / Wholesale / Transport	15
Accommodation And Food	3
Education And Health	15
Other Services (Business, Professional, Technical, Recreational)	26
<b>Total</b>	<b>100</b>

Source 20  
Employer Survey; base = 304 cases

- 2.8 The sample cannot be assessed for representativeness on four of the five dimensions in Table 2.1 since there is no available profile of the whole population of employers assisted by ReAct II which includes these dimensions. Alternatively the sample might be compared with a more general profile – that of all organisations in Wales which had redundancies during the ReAct II period – but, again, such profile data has not been compiled.
- 2.9 However, the sample can be compared with the population of all employers assisted by ReAct II on one characteristic in Table 2.1 – that of their size, measured by employment. This comparison shows that 79% of all assisted firms had between 1 and 49 employees whilst the remainder, 21%, had 50 or more (these statistics being available from ReAct II management information). The corresponding proportions for the sample were very similar at 81% and 19%. Assuming that the sampling procedure – essentially capturing responses from all organisations from which responses could be captured – reproduced other population characteristics with reasonable accuracy, as in the case of employment size, then survey findings as a whole should also give a reasonably representative picture of the views and behaviours of all employers assisted by ReAct II.
- 2.10 If, in fact, a reasonable random sample was achieved then estimates from the total sample have a 'worse case' sampling error, at the 95% confidence level, of +/- 5.7%.
- 2.11 The survey was undertaken using a questionnaire developed in consultation with the Welsh Government and delivered by the Computer Assisted Telephone Interview (CATI) technique. The questionnaire was subject to a pilot of 20 test interviews with employers. These interviews demonstrated that the survey questions worked well and the pilot interviews were included in the final sample.
- 2.12 The questionnaire included questions which addressed:
- details of the business (location, sector, whether a single or multi-site operation, employment)
  - satisfaction with, and effectiveness of, various organisational aspects of ReAct
  - the numbers of people they had recruited with ReAct support and subsequent outcomes for those recruits

- the patterns of recruitment which would have occurred if ReAct had not been available
- the organisation and impacts of ReAct funding for training (where this was received)
- extent and effects of ReAct procedures in support of equal opportunities, environmental sustainability, and Welsh language policies
- overall employer assessments of ReAct's benefits.

### **The ESF Leavers Survey: ReAct II component**

- 2.13 The 2014 European Social Fund Leavers Survey<sup>6</sup> was a survey of 3,000 leavers from training projects supported by ESF funding in Wales in the 2011 - 2014 funding period. It was undertaken on behalf of the Welsh Government and WEFO by external contractors. Data for leavers who left ReAct II-supported training in 2013 and 2014 were extracted from the total data set and tabulated. The total sample for ReAct II leavers comprises 1,080 cases from the Convergence area and 671 cases from the Competitiveness area.
- 2.14 Some basic characteristics of sample respondents are compared with those of all ReAct II participants as recorded in project management information (see Table 2.2 following).

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<sup>6</sup> <http://gov.wales/funding/eu-funds/previous/programme-evaluation/esf-leavers/?lang=en>

**Table 2.2: Characteristics of ReAct II participant samples compared with characteristics of the total ReAct II learner population, percentages**

	<i>Convergence sample</i>	<i>Competitiveness sample</i>	<i>ReAct II population</i>
Male	72	58	70
Female	28	42	30
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
White Welsh/British	97	90	90
Other ethnicities	3	10	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
No long term illness/disability	81	83	98
With long term illness/disability	19	17	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
Not Welsh speaking	80	84	90
Can speak Welsh	20	16	8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Sources: *ESF Leavers Survey 2014; ReAct II management information*

Bases: *Convergence area, 1080 cases; Competitiveness area, 671 cases; ReAct II, 13,194 cases*

- 2.15 From Table 2.2, it can be seen that there are some variations in proportions between the samples and the population. However, these variations are not huge and may reflect different methods of collecting data – telephone survey in the sample cases and self-completion of a form in the population case.
- 2.16 The samples are of reasonable size: their 'worst case' sampling errors (95% confidence) for total samples of 1,080 cases (Convergence area) and of 671 cases (Competitiveness area) would, if random, be of +/-3.0% and +/-3.9% respectively. Even with some variation between sample and population profiles it is likely that broad conclusions drawn from survey findings are accurate.
- 2.17 The telephone survey which generated this ReAct II data was based on a questionnaire which asked questions on themes as:
- characteristics of training supported by ReAct II
  - participants' motivations for undertaking the training
  - participants' employment status and qualifications prior to ReAct II training

- participants' employment status and qualifications following ReAct II training
- participants' perceptions of benefits from ReAct II participation
- participants' overall satisfaction with the programme.

### **Depth interviews with managers and deliverers**

- 2.18 To assess ReAct from the perspective of those involved in the programme's management and delivery, fourteen interviews were held with Welsh Government officials (six cases), with Jobcentre Plus (one case), with Careers Wales staff (six cases), and with a representative of the Welsh Trades Union Congress. Respondents were selected on the advice of the Welsh Government's managers of this evaluation.
- 2.19 These interviews were undertaken on the telephone and were based on a discussion guide which had the following themes:
- perceptions of ReAct's role
  - views of ReAct's administration
  - effectiveness of partnership working in ReAct's design and delivery
  - activity within ReAct to promote equal opportunities, environmental sustainability, and the Welsh language
  - perceptions of the outputs and outcomes which ReAct has achieved and the extent to which these add value over the counterfactual of ReAct not existing
  - overall views of ReAct's value and of the programme's strengths and weaknesses.
- 2.20 Interviews were audio-recorded with respondent permission and responses on each key theme entered into a matrix (in which responses on each theme were tabulated against each respondent). This matrix forms the basis of further sections of this report which discusses managers' and deliverers' views of ReAct.

### **Review of management information**

- 2.21 An electronic data file containing records for all participants who were assisted by ReAct II was supplied to the evaluation contractor. Each record contains information on the individuals' gender, ethnicity, place of residence, educational achievement prior to ReAct II, prior employment status, qualifications achieved with ReAct II support, and

on a variety of other indicators. Analysis of this information provides a statistical account of ReAct II's outputs and allows the programme's achievements against the programme's original targets to be measured.

- 2.22 Audited final funding claim approved data for ReAct was analysed in detail. This showed number of participants, their socio-demographic profile, and outcomes such as employment.

### **Employer depth interviews**

- 2.23 Ten cases in which ReAct II had assisted employers were investigated by means of in-depth discussions with these employers. The cases were selected from the 67 cases which, in the main employer survey, had consented to further discussion on ReAct II and were chosen to provide a variety of locations, sizes, and sectors of business. These discussions were held on the telephone and audio recorded with respondent permission.

- 2.24 The discussions were based on a discussion guide which asked for employer perspectives on:

- their initial engagement with ReAct II and how ReAct II had assisted them
- the effectiveness of the programme's administration
- encouragement they had received to develop good practice in respect of equal opportunities, environmental sustainability and the Welsh language
- benefits to their business from engagement with ReAct II
- the programme's impacts and its strengths and weaknesses.

- 2.25 These discussions have been used to prepare short 'pen portraits' of individual employers' experiences. These are included in this report at Annex A.

### **Training provider depth interviews**

- 2.26 Similarly, ten training providers which had supplied training funded by ReAct II were also interviewed in depth in order to supply a provider perspective on ReAct II's delivery and impacts. These providers were selected to offer a variety of sizes, locations, and level of engagement with ReAct II (in terms of the numbers of learners they had trained).

- 2.27 These telephone discussions were based on a discussion guide which asked the providers to describe:
- their organisation's role in relation to ReAct II
  - their understanding of, and evaluation of, ReAct's role and function
  - their views of programme administration and of other partners in ReAct's delivery
  - their perceptions of the programme's outputs and outcomes
  - their overall perceptions of the programme's value and impacts and of its main strengths and weaknesses.
- 2.28 These provider discussions were analysed using the matrix approach described above. This analysis was then used to inform this evaluation report at relevant points.

### **The 2011 interim evaluation**

- 2.29 An interim evaluation, addressing the ReAct I period, 2008 to 2011, was undertaken and reported in 2011<sup>7</sup>. This evaluation included surveys of employers and of ReAct I individual participants and discussions with stakeholder groups. Where there is similarity between the earlier evaluation and this one (for example, in the questions asked of respondents) some comparisons are made in order to assess where change in the later programme has occurred.
- 2.30 It should be noted that, as above, the interim evaluation included a **direct survey** of participants. In this later case, evaluation of ReAct II, information on participants derives, as above, from **secondary analysis** of the 2014 ESF Leavers Survey. Since the two surveys asked mainly different questions, the scope for comparison is limited. It should also be noted that the employer and participant surveys in the earlier case had sample sizes of 100 and 600 respectively. These sample sizes, particularly in the employer survey, are such that some variations between findings, particularly minor ones, may be due to the sampling error attached to survey estimates rather than to true difference. Consideration of comparative findings needs to take this into account.

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<sup>7</sup> Interim Evaluation of ReAct, Welsh Government, November 2011

## Cost benefit analysis

2.31 In addition, an economic impact and cost benefit analysis has been undertaken and a summary of that analysis is set out in Chapter 5.

## Summary of method

2.32 A summary of inputs to the evaluation is set out in Table 2.3.

**Table 2.3: Summary of inputs to the evaluation**

Input	Description
Employer survey	A survey of 304 employers supported by ReAct II
Participant survey	Data on 1,080 ReAct II participants in the Convergence area and on 671 ReAct II participants in the Competitiveness area are extracted from the 2014 ESF Leavers Survey
Management information	Analysis of management data generated in the course of ReAct's delivery and extracted from the programme's management information system and final audited funding claim report
Manager and delivery partner perceptions	Perspectives on ReAct deriving from 14 depth interviews with government officials and representatives of partner organisation
Employers	10 in-depth discussions with employers to supplement statistical data from the quantitative employer survey
Training providers	10 in-depth discussions to supply a provider perspective on ReAct II
Interim evaluation findings	Secondary evidence to inform final evaluation conclusions. Comparison of earlier (2008-2011) and later (2011-2014) ReAct phases where possible
Impact and cost benefit analysis	Estimation of ReAct II's wider economic effects and of its value for money

### 3. Findings: outputs of ReAct 2008 – 2014

- 3.1 This chapter describes the ‘outputs’ of the ReAct programme between 2008 and 2014 – basically, the numbers of individuals and employers who were supported. These numbers, broken down in different socio-economic groups in the ‘individuals’ case, are set against anticipated participation levels as set out in the original Business Plans for the programme.

#### Key points

- At the onset of ReAct I in October 2008, the programme’s Business Plan originally approved a level of overall participation in the programme for which budget was available.
- Within the overall level, it was expected that participation by different socio-demographic groups – such as women, older people, ethnic minority people, and so on – would form particular proportions of total participation.
- As the programme advanced through the ReAct I and ReAct II phases, these numbers were adjusted to reflect the actual scale and pattern of demand which emerged and the increased level of funding which was made available.
- The ‘originally approved’ numbers were not targets in the conventional sense, since the number and types of people and employers who would need support could not be known in advance – they were rather estimates of the numbers and types of people who might need support and for whom funding support was available.
- However, if the originally approved’ numbers are interpreted as ‘targets’, then a comparison of ‘achievement against targets’ shows that:
  - in terms of overall volume of participation and in generation of qualifications, the programme very substantially exceeded expectations (but were close to achieving final forecasted figures)
  - some initial expectations of the participation of some demographic groups – most notably women and older people – were too high and actual participation of these groups was below expectation (and this largely continued to the end of the programme)
  - in financial terms, ReAct operated within its approved budget.

## **Introduction**

- 3.2 This chapter reports the outputs of the programme. ‘Outputs’ in this case are mainly the numbers of participants who received training support from ReAct 2008 - 2014 and the numbers of participants who achieved qualifications from their ReAct training and/or entered employment subsequent to ReAct participation.
- 3.3 In each case, these groups of people are divided according to their economic, social, and demographic characteristics – employment status prior to ReAct, gender, ethnicity, age, whether having a disability or work-limiting health condition, and family structure.
- 3.4 In undertaking an analysis of outputs, the main information source is the updated Business Plans for the 2008 – 2014 ReAct Period and the final audited funding claim report.
- 3.5 These Business Plans show the numbers of participants and their achievements broken down according to participants’ membership of different groups. The numbers are set out below in two tables for the Convergence and Competitiveness areas:
- 3.6 The columns of the table show:
- the anticipated numbers of participants at the point when funding for the programme was approved in 2008 (‘Originally approved’)
  - anticipated numbers of participants at subsequent points in time (‘Forecasts’) as demand for support increased and additional funding to allow the programme to meet that demand was provided.

**Table 3.1: Outputs of ReAct 2008 – 2014: Convergence area**

<b>Indicator</b>	<b>Originally Approved 2008</b>	<b>Forecast at 1 Oct 2010</b>	<b>Forecast at 1 Apr 2011</b>	<b>Forecast at 1 Apr 2014</b>
<b>Outputs</b>				
Total participants	<b>8567</b>	<b>15,570</b>	<b>18,280</b>	<b>17,550</b>
Female participants	<b>52%</b>	<b>52%</b>	<b>52%</b>	<b>21%</b>
Participants – Economically inactive and unemployed	<b>8567</b>	<b>15,570</b>	<b>18,280</b>	<b>17,550</b>
<i>Key intervention groups:</i>				
<i>Unemployed</i>	<b>8567</b>	<b>15,570</b>	<b>18,280</b>	<b>17,550</b>
<i>Female participants</i>	<b>4454</b>	<b>8,096</b>	<b>9,506</b>	<b>3,685</b>
<i>BME participants</i>	<b>142</b>	<b>258</b>	<b>303</b>	<b>175</b>
<i>Older participants</i>	<b>3213</b>	<b>5,840</b>	<b>6,856</b>	<b>2,106</b>
<i>Participants with work-limiting health condition or disability</i>	<b>428</b>	<b>777</b>	<b>912</b>	<b>175</b>
<i>Lone parents</i>	<b>513</b>	<b>241</b>	<b>283</b>	<b>526</b>
Employers assisted or financially supported	<b>772</b>	<b>1,199</b>	<b>1,408</b>	<b>1,208</b>
Participants who receive support with caring responsibilities	<b>513</b>	<b>241</b>	<b>283</b>	<b>191</b>
Participants gaining qualifications – Economically inactive and unemployed	<b>5,862</b>	<b>10,588</b>	<b>12,431</b>	<b>12,759</b>
<i>Key intervention groups:</i>				
<i>Unemployed</i>	<b>5,862</b>	<b>10,588</b>	<b>12,431</b>	<b>12,759</b>
<i>Female participants</i>	<b>3,048</b>	<b>5,505</b>	<b>6,463</b>	<b>2,679</b>
<i>BME participants</i>	<b>97</b>	<b>175</b>	<b>205</b>	<b>127</b>
<i>Older participants</i>	<b>2,198</b>	<b>3,970</b>	<b>4,661</b>	<b>1,531</b>
<i>Participants with work-limiting health condition or disability</i>	<b>293</b>	<b>529</b>	<b>621</b>	<b>127</b>
<i>Lone parent</i>	<b>351</b>	<b>14</b>	<b>16</b>	<b>382</b>
<i>Qualification levels to be gained: Full NVQs/NQFs and equivalents</i>				
<i>Basic skills</i>	<b>2,519</b>	<b>4,549</b>	<b>5,341</b>	<b>3,538</b>
<i>at Level 2</i>	<b>3,144</b>	<b>5,678</b>	<b>6,666</b>	<b>6,501</b>
<i>at Level 3</i>	<b>176</b>	<b>317</b>	<b>791</b>	<b>2,384</b>
<i>Level 4 and above</i>	<b>23</b>	<b>41</b>	<b>73</b>	<b>336</b>
Participants entering employment –	<b>6,790</b>	<b>12,300</b>	<b>14,441</b>	<b>9,367</b>

Economically inactive and unemployed <i>Key intervention groups:</i>				
<i>Unemployed</i>	<b>6,790</b>	<b>12,300</b>	<b>14,441</b>	<b>9,367</b>
<i>Female participants</i>	<b>3,530</b>	<b>6,396</b>	<b>7,509</b>	<b>1,967</b>
<i>BME participants</i>	<b>113</b>	<b>204</b>	<b>240</b>	<b>93</b>
<i>Older participants</i>	<b>2,547</b>	<b>4,613</b>	<b>5,416</b>	<b>1,124</b>
<i>Participants with work-limiting health     condition or disability</i>	<b>339</b>	<b>614</b>	<b>721</b>	<b>93</b>
<i>Lone parents</i>	<b>404</b>	<b>14</b>	<b>16</b>	<b>281</b>
Employers adopting or improving equality and diversity strategies and monitoring systems **	<b>579</b> <b>75%</b>	<b>899</b> <b>75%</b>	<b>1,056</b> <b>75%</b>	<b>178</b> <b>15%</b>

**Table 3.2: Outputs of ReAct 2008 – 2014: Competitiveness area**

<b>Indicator</b>	<b>Originally Approved 2008</b>	<b>Forecast at 1 Oct 2010</b>	<b>Forecast at 1 Apr 2011</b>	<b>Forecast at 1 Apr 2014</b>
<b>Outputs</b>				
Total participants	<b>3,672</b>	<b>8,988</b>	<b>10,358</b>	<b>9,970</b>
Female participants	<b>52%</b>	<b>52%</b>	<b>52%</b>	<b>31%</b>
Participants – Economically inactive and unemployed <i>Key intervention groups:</i>	<b>3,672</b>	<b>8,988</b>	<b>10,358</b>	<b>9,970</b>
<i>Unemployed<sup>1</sup></i>	<b>3,672</b>	<b>8,988</b>	<b>10,358</b>	<b>9,970</b>
<i>Female participants</i>	<b>1,909</b>	<b>4,673</b>	<b>5,385</b>	<b>3,090</b>
<i>BME participants</i>	<b>61</b>	<b>148</b>	<b>171</b>	<b>400</b>
<i>Older participants</i>	<b>1,377</b>	<b>3,369</b>	<b>3883</b>	<b>1,296</b>
<i>Participants with work-limiting health     condition or disability</i>	<b>183</b>	<b>447</b>	<b>515</b>	<b>100</b>
<i>Lone parents</i>	<b>220</b>	<b>265</b>	<b>305</b>	<b>300</b>
Employers assisted or financially supported	<b>331</b>	<b>563</b>	<b>649</b>	<b>741</b>
Participants who receive support with caring responsibilities	<b>220</b>	<b>265</b>	<b>305</b>	<b>213</b>
Participants gaining qualifications – Economically inactive and unemployed <i>Key intervention groups:</i>	<b>2,512</b>	<b>6,112</b>	<b>7,044</b>	<b>7,503</b>

<i>Unemployed</i>	<b>2,512</b>	<b>6,112</b>	<b>7,044</b>	<b>7,503</b>
<i>Female participants</i>	<b>1,306</b>	<b>3,178</b>	<b>3,662</b>	<b>2,325</b>
<i>BME participants</i>	<b>42</b>	<b>102</b>	<b>118</b>	<b>300</b>
<i>Older participants</i>	<b>942</b>	<b>2,396</b>	<b>2,761</b>	<b>975</b>
<i>Participants with work-limiting health condition or disability</i>	<b>126</b>	<b>306</b>	<b>353</b>	<b>75</b>
<i>Lone parent</i>	<b>150</b>	<b>180</b>	<b>207</b>	<b>225</b>
<i>Qualification levels to be gained:</i>				
<i>Basic skills</i>	<b>1,080</b>	<b>2,627</b>	<b>3,027</b>	<b>2,192</b>
<i>at Level 2</i>	<b>1,347</b>	<b>3,277</b>	<b>3,776</b>	<b>3,478</b>
<i>at Level 3</i>	<b>75</b>	<b>182</b>	<b>439</b>	<b>1,483</b>
<i>Level 4 and above</i>	<b>10</b>	<b>24</b>	<b>59</b>	<b>335</b>
Participants entering employment – Economically inactive and unemployed	<b>2,910</b>	<b>7,100</b>	<b>8,182</b>	<b>4,843</b>
<i>Key intervention groups:</i>				
<i>Unemployed</i>	<b>2,910</b>	<b>7,100</b>	<b>8,182</b>	<b>4,843</b>
<i>Female participants</i>	<b>1,513</b>	<b>3,692</b>	<b>4,255</b>	<b>1,500</b>
<i>BME participants</i>	<b>48</b>	<b>116</b>	<b>134</b>	<b>193</b>
<i>Older participants</i>	<b>1,092</b>	<b>2,663</b>	<b>3,069</b>	<b>630</b>
<i>Participants with work-limiting health condition or disability</i>	<b>145</b>	<b>352</b>	<b>406</b>	<b>48</b>
<i>Lone parents</i>	<b>173</b>	<b>208</b>	<b>240</b>	<b>145</b>
Employers adopting or improving equality and diversity strategies and monitoring systems **	<b>248 75%</b>	<b>422 75%</b>	<b>487 75%</b>	<b>119 15%</b>

Source: ReAct Business Plans for Convergence and Competitiveness areas

- 3.7 In interpreting these figures, a major point is that ReAct 2008-2014 was a demand-led programme. At the outset, the extent to which the programme might be called on to support redundant workers could not be predicted – it was not known how many people would be made redundant in Wales, how many would be eligible for support, how many would become aware of the ReAct programme, and how many would seek support.
- 3.8 Within this general position, it was not known how many potential participants would fall into particular socio-demographic groups.
- 3.9 As the programme proceeded, the expected number of total participants was adjusted upwards to reflect actual demand and the

additional funding which was made available; and, with experience from the ReAct I phase to draw on, forecasts for the ReAct II phase (shown in Tables 3.1 and 3.2 as 'Forecast as 1 Jan 2014') substantially reduced expectations (compared with forecasts in 2010 and 2011) of the participation of women, older participants, and people with work-limiting health conditions or disabilities.

- 3.10 Thus Tables 3.1 and 3.2 are a description or record of what the programme achieved rather than a comment on whether the programme 'met targets' in the conventional sense.
- 3.11 However, if the conventional terminology is used and the 'originally approved' statistics are interpreted as 'targets' then 'achievement against targets' can be summarised as in Table 3.3 and Table 3.4. These tables, for Convergence and Competitiveness areas separately, show which targets were achieved or not achieved in numerical terms and, in percentage terms, the degree to which they were exceeded or subject to shortfall.

**Table 3.3 Achievement against targets: Convergence area**

<b>Targets achieved</b>				<b>Targets not achieved</b>			
	Originally approved	Achieved	% Achieved		Originally approved	Achieved	% Achieved
<b>Participants</b>				<b>Participants</b>			
Total number	8,567	17,028	199	Female	4,454	3,711	83
Unemployed	8,567	17,028	199	Older	3,213	2,125	66
BME	142	218	154	Health condition/disability	428	152	36
				Lone parents	513	471	92
<b>Participants gaining qualification</b>				<b>Participants gaining qualification</b>			
Total numbers	5,862	12,291	210	Female	3,048	2,284	75
Unemployed	5,862	12,291	210	Older	2,198	1,486	68
BME	97	160	165	Health condition/disability	293	83	28
				Lone parents	351	203	58
<b>Qualification levels</b>							
Basic skills	2,519	3,293	131				
Level 2	3,144	6,201	197				
Level 3	176	2,414	1,372				
Level 4 +	23	383	1,665				
<b>Participants entering employment</b>				<b>Participants entering employment</b>			
Total number	6,790	7,744	114	BME	113	89	79
Unemployed	6,790	7,744	114	Female	3,530	2,001	57
				Older	2,547	877	34
				Health condition/disability	339	42	12
				Lone parents	404	232	57
<b>Employers</b>				<b>Employers</b>			
Total assisted	772	1,335	173	Adopting or improving equality and diversion strategies and monitoring systems	579	42	7

3.12 This data, for the Convergence area of Wales, shows that the redundancy support programme as originally envisaged in 2008 was subsequently much expanded in practice. The total number of participants assisted and the number of participants gaining qualifications approached double the originally-expected numbers; and the number of assisted employers, 1335 in the Convergence area, was more than one-and-a-half times the number for whom funding was originally approved.

3.13 A particularly striking finding was that the number of people who were supported to gain higher level qualifications, those at level 3 and above, was hugely in excess of the original expectation.

- 3.14 However, whilst the programme met its target for the number of people who would enter employment on completion of their training, in proportional terms, this level of achievement was less than anticipated. Thus, it was originally expected that eight out of ten participants (79 per cent) would find a job on completion but, in the event, fewer than half, 45 per cent, did so (although many, as shown later in chapter 5 of this report, will have re-entered work at a later point).
- 3.15 Whilst, as above, many of the original targets of the programme were greatly exceeded by 2014, within the overall volume of achievement the participation of some groups – women, older workers, those with health conditions or disabilities, and lone parents – was considerably less than anticipated in both numerical and proportional terms.
- 3.16 The reasons for this are not known but three factors may have been involved. One is that some groups, women particularly, may have found it easier than other groups to get a new job following redundancy and, therefore, were less likely to seek ReAct support. A second factor is that other groups – older workers, those with health conditions and disabilities, and lone parents – may have been less positive about their ability to fulfil the requirements of a training course and/or about their prospects of re-entering work and, hence, did not seek support. A third factor may be that one or more of those groups were less likely to be in the workforce in the first place and, therefore, less likely to be in a redundancy situation; or that they were in the workforce but were in sectors or occupations which were less affected by redundancies.
- 3.17 Table 3.4 (following) sets out comparable data for the Competitiveness area of Wales.

**Table 3.4 Achievement against targets: Competitiveness area**

<b>Targets achieved</b>				<b>Targets not achieved</b>			
	Originally approved	Achieved	% Achievement		Originally approved	Achieved	% Achievement
<b>Participants</b>				<b>Participants</b>			
Total number	3,672	9,470	258	Older	1,377	1,227	89
Unemployed	3,672	9,470	258	Health	183	100	55
Female	1,909	2,993	158	condition/disability			
BME	61	392	643				
Lone Parents	220	331	151				
<b>Participants gaining qualification</b>				<b>Participants gaining qualification</b>			
Total numbers	2,512	6,883	274	Older	942	847	90
Unemployed	2,512	6,883	274	Health	126	53	42
Female	1,306	2,027	155	condition/disability			
BME	42	293	698				
Lone Parents	150	170	113				
<b>Qualification levels</b>							
Basic skills	1,080	1,910	177				
Level 2	1,347	3,149	234				
Level 3	75	1,446	1,928				
Level 4 +	10	378	3,780				
<b>Participants entering employment</b>				<b>Participants entering employment</b>			
Total number	2,910	4,329	149	Older	1,092	535	49
Unemployed	2,910	4,329	149	Health	145	34	24
BME	48	151	315	condition/disability			
Female	1,513	1,529	101	Lone parents	173	149	86
<b>Employers</b>				<b>Employers</b>			
Total assisted	331	750	227	Adopting or improving equality and diversion strategies and monitoring systems	248	33	13

3.18 The data in Table 3.4 shows a broadly similar pattern to that in the Convergence area in that 2008 targets for overall participation, numbers gaining qualifications, the award of qualifications at different levels, the numbers of participants entering employment on completion of training, and the number of assisted employers were substantially exceeded during the growth of the ReAct programme over a six-year period; and that, within that overall picture, expectations for the participation of some socio-demographic groups was below expectation.

3.19 However, achievement in the Competitiveness area differs from that in the Convergence area in a number of ways:

- where targets were exceeded, they were generally exceeded by a greater margin than in the Convergence area
- where targets were not met, the shortfalls were generally smaller than in the Convergence area
- fewer targets were **not** achieved in the Competitiveness area. Particularly, the number of women supported in the Competitiveness area was in excess of the original expectation (though proportionally lower than expected) whereas only four-fifths as many women as expected were supported in the Convergence area
- in terms of entry to employment following ReAct-supported training, the Competitiveness area was not notably more successful than the Convergence area. In proportional terms, the same percentage, 45 per cent, of participants found work on completion of training in both areas of Wales.

3.20 The reasons for the somewhat stronger outputs in the Competitiveness area (in most cases) are not known. It may simply be that the targets for the Competitiveness area (the 'originally approved' numbers in Table 3.2) turned out to be better fitted to the actual redundancy situation as it occurred in that area; or that, in the more disadvantaged Convergence area, there was a level of labour market discouragement which led to somewhat lower demand (in proportional terms) than in the Competitiveness area.

3.21 Overall, **in summary of programme outputs**, ReAct expanded substantially between 2008 and 2014 as demand and funding for support to redundant workers increased. The number of people the programme actually supported was more than double the number which was originally envisaged. However, the distribution of demand which was originally expected did not emerge. Particularly, the programme supported fewer women and older people and those in labour market disadvantaged groups, such as lone parents and people with health conditions and disabilities, than was anticipated.

### **Financial targets**

3.22 Table 3.5 shows initial approved programme expenditure and actual expenditure as at the end of 2014. It can be seen that these are closely aligned and that ReAct was delivered within its budget:

**Table 3.5: Approved and actual programme expenditure, 2008-2014,  
£ million**

	<b>Approved</b>	<b>Actual</b>
Convergence area	49.70	48.79
Competitiveness area	26.40	25.91
<b>Total</b>	<b>76.10</b>	<b>74.70</b>

*Source: WEFO*

## 4. Findings: the delivery of ReAct

- 4.1 This chapter considers aspects of ReAct's delivery processes – administration, partnership working, timeliness of application processes, participant accounts of their experience on the programme, and delivery in respect of objectives for equality, environmental sustainability, and use of the Welsh language. Where possible, processes are considered from the points of view of different stakeholders in the programme.

### Key points

- A number of administrative issues were raised by government officials and ReAct's delivery partners. These concerned:
  - the high volume of data which ESF regulations require
  - form-filling errors by applicants
  - repetitive paperwork requirements
  - the speed with which some applications were processed.
- Overall, it was recognised that the 'paperwork burden' was necessary to meet the evidence demands of public funding and it was not perceived that administrative issues have been a major barrier to ReAct's effectiveness.
- Programme partnership involving the Welsh Government's ReAct team, Jobcentre Plus, Careers Wales, training providers, and, to a lesser extent, the Wales TUC and Sector Skills Councils, was generally perceived as highly effective and as working well by all partners.
- Some partnership issues were raised – including one suggestion of occasional lack of clarity about eligibility for ReAct vis-à-vis eligibility for the UK-wide Work Programme and a view that Jobcentre Plus and Careers Wales could be even more effective if they were better resourced – but these were on a minor scale.
- Government officials and other partners recognised that there had been tailoring of provision to fit the reduced maximum grants for training introduced in 2011. However, this was mainly not regarded as a problem and there was a frequent view that the reduction has generated better value for money.

- Employers almost universally found each of the Welsh Government ReAct team, Jobcentre Plus, and Careers Wales to be helpful.
- The interval between application for Employer Recruitment Support and grant approval was mostly short – 4 weeks or less in over half of cases.
- Delays in approval caused significant difficulty only for 6 per cent of employers.
- The interval between application for Employer Training Support and grant approval was, on average, a little longer than for ERS but, again, only a small proportion of employers reported that this caused significant difficulty.
- ReAct II participants reported that:
  - most training provision was delivered by private training providers
  - training was mainly undertaken on weekdays and was most often completed in 4 weeks or less
  - most courses required 16 or more hours per week to be spent on the course but others apparently required fewer hours per week - sometimes less than 10 hours
  - most participants were motivated to undertake their courses in order to get a job, improve their career prospects, or to get skills
  - if they chose one course over another, the main reason for this choice concerned the value to them of the course much more frequently than its cost.
- Evidence in respect of delivery of Environmental Sustainability and Equal Opportunities objectives suggests that employers were generally made aware of responsibilities and good practice in respect of these matters but that change of practice may have been more limited. Thus:
  - Management records show that efforts to engage employers in the two agendas were systematic and extensive. Monitoring data shows that substantial majorities of employers at least received information to raise their awareness in respect of the issues.
  - However, in survey, only 15 per cent of employers recollected receiving materials, advice, or signposting relating to their organisations' Environmental Sustainability policies; and only 28 per cent of employers recollected receiving materials, advice, or

signposting relating to their organisations' Equal Opportunities policies.

- Both management records and employer survey findings suggest that the proportions of employers which enhanced their equal opportunities and environmental sustainability policies or introduced these for the first time were low.
- ReAct's delivery in respect of Welsh language provision was limited. Government officials and delivery partners reported that, in line with Welsh Government policy, relevant Welsh language materials and provision were available. However, they believed there was little demand for this availability. This perspective was supported by employer survey data which found that only 5 out of 304 employers said that their recruits or trainees required training in the Welsh language itself and only 2 said that their trainees required other training delivered through the medium of Welsh. In 6 out of these 7 cases, the necessary training was supplied.

## Introduction

- 4.2 This chapter considers the efficiency and effectiveness of the delivery of ReAct from the point of view of its managers and delivery partners, of training providers, of employers, and of individual participants.

### Delivery: the views of managers and delivery partners

#### Programme administration

- 4.3 As context, the report of the programme's **interim evaluation** was that stakeholders believed that the administrative systems attached to ReAct were effective and considerably less onerous than those related to some other interventions.
- 4.4 In this **final evaluation** when asked to comment on programme administration in ReAct, government officials raised a variety of points. A first official commented on the effect of ESF funding requirements as requiring an increase in data collection. This had led to some inefficiencies in the process which were being addressed:

*'I think paperwork has increased significantly since the start of ReAct. The introduction of ESF regulations has led to expansion of the data which needed to be submitted and therefore the volume of*

*data collected has increased. A specification for EDMS to improve things and to allow more validation checks and fields to be collected was written. The combination of paper and electronic created inefficiencies as the forms and data entry fields were not in the same order. For ReAct III this is being improved to make data entry simpler.'* (Welsh Government official)

- 4.5 Two further officials noted that completion errors on application forms and processing delays had been occasional issues:

*'A big cause of inefficiency is errors on the form by applicants, but I'm not sure how that can be prevented. Even with checks in place through Careers Wales in some instances and more guidance on the paperwork there are issues. The only way to resolve this is face-to-face support with form completion for everyone – which would be costly.'* (Welsh Government official)

*'There have been challenges regarding efficiency as documents employers and individuals send for evidencing can be more convoluted than they need to be. It takes a lot of time in processing to identify discrepancies. Could have been simplified if evidence was made clearer and forms were completed in a more consistent way.'* (Welsh Government official)

- 4.6 Careers Wales advisers, who were less involved with administration, were generally positive about it. One adviser had no problems:

*'I think it operated well and could not be simplified really. In my personal experience, they have been operated very efficiently. All the ones I've done have gone through smoothly. Customers have managed to get all the information needed and ReAct have dealt with everything efficiently. You've got to have evidence that the client has been made redundant, and you've got to know they are going to a valid training provider.'* (Careers Wales adviser)

- 4.7 Other Careers Wales advisers recognised that there was a paperwork burden but also recognised it as a necessary factor in ensuring applicant eligibility and in meeting ESF evidence needs:

*'It would have helped if there was less paperwork. I can see why the proof of redundancy and everything was needed though, otherwise you would have, you know, all sorts of people who'd just been laid off or left their jobs applying for the funding. I suppose we're quite lucky in the careers offices, we didn't really get involved with all of these administration processes, it was more about completing the*

*ReAct action plan and just checking over the forms.'* (Careers Wales adviser)

*'We understood why it was needed. We've had the ESF projects ourselves and we didn't have an issue with it, neither did the clients, really. It probably couldn't be simplified.'* (Careers Wales adviser)

- 4.8 Training providers who supplied training to individuals in receipt of vocational training grants were also asked about programme delivery. Their satisfaction with how the programme operated and with the administrative burden it created varied. Some providers were happy with the programme's level of administration. They did not see it as burdensome and one provider noted the benefits of Careers Wales' involvement in supporting the completion of participants' paperwork:

*'We don't have any problems with it. We get our form, we fill in and send it back off.'* (Training provider)

*'From my perspective, it worked very efficiently. There are applicants that we've had that usually have various forms and an action plan which has been done for them by Careers Wales. We just cater the courses for what the Careers Wales adviser has advised them.'*  
(Training provider)

- 4.9 However, some providers highlighted concerns with repetition in the paperwork they completed which they believed took too much time. These providers felt this could be improved through the introduction of more online or electronic documentation. For example, one provider noted:

*'A lot of the information is exactly the same, so it would be handy if we could have a copy of the form that we could put the general information in, so when someone comes to you, you can just select it on a computer and print it off.'* (Training provider)

- 4.10 A small number of providers had found that delays with administration had affected whether an individual had been able to progress onto their chosen course. They had had to wait for another similar course to become available which delayed their overall development and progression.

- 4.11 Asked whether the **cost** of administration was proportionate to the scale of the programme, the consensus of government officials was that it was proportionate, one official, for example, remarking that *'the*

*budget spent on administration is quite low compared to other EU projects'.*

- 4.12 Careers Wales advisers had the same view. One said '*administration was proportionate to ReAct's success and the need for this to be well-evidenced*' whilst another observed:

*'I don't see how things could be any different. It might reduce cost by having everything on-line but that brings its own problems. For example, we've got digital blackspots in parts of Wales and that would create difficulties which would have added another complication.'*

(Careers Wales adviser)

- 4.13 Overall, thus, a **summary view of programming administration** is that it has had a variety of process issues – relating to the complexity of paperwork and data recording and to the speed with which some applications were processed. However, some complexity was recognised as an inevitable consequence of the programme's needs to meet the evidence demands of public funding, particularly that of ESF funding. Generally, however, as at the interim evaluation stage, it was not perceived that administration issues have been a major barrier to the effective delivery of ReAct.

### **Partnership working**

- 4.14 At the **interim evaluation** stage, it was reported that partnership in delivery of ReAct I in the 2008-2011 phase was effective. Stakeholders felt that co-operation at a policy level had improved over the previous few years. It was argued that earlier incarnations of the ReAct programme had paved the way for a greater level of co-operation between the Welsh Government and Jobcentre Plus in shaping employment policy more widely in Wales.
- 4.15 It was also said that involvement in ReAct I over the years had helped to develop relationships between Jobcentre Plus and Careers Wales. Increasingly, Careers Wales staff were being accommodated within Jobcentre Plus offices and, although not entirely attributable to ReAct, this policy of 'co-location' was thought to be a very helpful development.
- 4.16 At an operational level, stakeholders said that the 'Team Wales' arrangements worked extremely well in the case of large scale redundancies. It was said that employers generally valued partners' input, to the extent that some regarded it as 'part of the package they

can offer the people they're laying off' – in essence a means of 'softening the blow' of redundancy. In the case of smaller scale redundancies, Jobcentre Plus' involvement tended to be less pronounced, although Jobcentre Plus advisers were still seen as a key referral mechanism into ReAct I.

4.17 In this **final evaluation**, Government officials and their ReAct partners were also asked about the effectiveness of partnerships involved in design, management, and delivery of the programme – these partners being the Welsh Government, Careers Wales, Jobcentre Plus, Welsh Trade Unions, and Sector Skills Councils (SSCs).

4.18 **Welsh Government officials** were very positive about Careers Wales' contribution to ReAct. Observations by two officials recognised the role of Careers Wales as an 'honest broker' in the programme, helping to avoid individual participants being wrongly advised by providers and assisting participants with valuable guidance:

*'Generally I think the partnership with Careers Wales has worked well. Their impartial service is key. In some instances where providers have become involved outside of the programme without Careers Wales support they have found the advice given by the provider is not necessarily appropriate and they have been recommended unsuitable courses. As such Careers Wales is crucial to the programme.'* (Welsh Government official)

*'I believe that the support from Careers Wales has been effective as it has provided people with good guidance. The careers side of it has been good for clients, because a lot of them come in not knowing what they want to do, but wanting to access and move forward. The guidance side of it has worked quite well. It has not just been a matter of filling in forms. A lot of work has been done with clients in terms of what and why they want to go for certain things.'* (Welsh Government official)

4.19 Some Welsh Government officials had no formal contact with Jobcentre Plus and were unable to comment on their contribution as a ReAct partner. However, one official recognised their strategic role – consulting on the design of employment programmes – and their role in supplying labour market intelligence. This official also commented on occasional conflict between ReAct and Jobcentre Plus programmes:

*'Partnership with JCP is less close than with Careers Wales and more strategic as they are generally an organisation we would consult on employment programmes. We receive LMI and employer demand information from JCP which is helpful. There can sometimes be conflicts between JCP 'products' over the ReAct programme, in cases where JCP refer individuals to their own programmes instead of ReAct. Some JCP advisers mistakenly told people eligible for ReAct that they needed to have been unemployed for 6 months before they could apply which was incorrect.'* (Welsh Government official)

- 4.20 Another official reported working effectively with Jobcentre Plus in a large scale redundancy situation:

*'We work with JCP now and then in large scale cases at employer premises. We have a 'Team Wales' meeting with the Welsh Government, JCP, and Careers Wales together. JCP will give benefit and job seeking advice, we offer ReAct, and Careers Wales makes itself available as a source of guidance. This is a package which works well.'* (Welsh government official)

- 4.21 One official commented positively on the role of the Welsh Trade Unions in delivery of ReAct – in providing advance notice of redundancy situations, promoting training in those situations, and in playing a valuable strategic role:

*'The Unions are a good source of information and intelligence if there is a possible redundancy situation. They have provided support by promoting the employer wage subsidy and training in workplaces where redundancies are being made. They're also a good strategic partner to consult with on the programme and consultations and queries have gone in both directions.'* (Welsh Government official)

- 4.22 The same official was able to identify Sector Skills Councils as a useful source of guidance to ReAct:

*'We have used SSCs to identify sector trends and ensure we do not saturate the labour market with certain job types. They have also provided guidance on the types of qualifications and training which employers value – which is valuable to the programme.'* (Welsh Government official)

- 4.23 For their part, **Careers Wales** advisers saw partnership with the Welsh Government as effective:

*'Partnership has worked well – the Welsh Government have communicated and worked very well with us.'* (Careers Wales adviser)

*'I think it's been immensely positive. Speaking from my own perspective, our partnership with the ReAct team within Welsh Government has been excellent, you know, all the way through. There have been good, open lines of communication, dialogue that we can feed queries and trends through to them and they can feed them back. I know the team has shrunk but that doesn't seem to have affected the communication. The individuals have been able to benefit by having access to people if they want to query their own applications. So there hasn't been an issue as far as I can see.'*  
(Careers Wales adviser)

- 4.24 Careers Wales advisers were also positive about their on-the-ground work with Jobcentre Plus. One adviser, located in a Jobcentre noted:

*'In my experience, it works really well. I have started working in the Jobcentre, and if they mention ReAct, they will send clients over to be booked in straight away, so they are very aware of it.....that is the key benefit. It's about getting somebody back into work as soon as possible.'* (Careers Wales adviser)

- 4.25 Another adviser noted that Jobcentre Plus generally worked effectively as a referral agency (although with delays in some instances); and a further adviser also valued Jobcentre Plus' referral role:

*'I think it has been very good in our area. We've had referrals from JCP where clients have presented themselves there, and been referred on to Careers Wales and that has worked well. The key benefits include getting the clients in to see us as soon as possible, so we have time to look at what they want and discuss the guidance. One issue has been timeliness of referrals though. There's been a few in the area recently that haven't been referred to us until nearly their six month cut-off date. That has proven difficult, but I don't know why they weren't given the information about ReAct.'* (Careers Wales adviser)

*'I think the partnership has worked well at local level. Our Jobcentre has the information, so if they see a new claimant and they know that they've been made redundant, if they don't already know they will tell them about ReAct and signpost them then to Careers Wales.'*

*If they hear of a redundancy they will let us know and we will both go to present.'* (Careers Wales adviser)

- 4.26 A final adviser also recognised that their relationship with Jobcentre Plus was valuable, but also noted occasional conflict between ReAct and the Work Programme based on lack of clarity about eligibility:

*'There are no large problems with the JCP relationship which enables rapid response to redundancies. There are some issues around communication and eligibility/clashes with the Work Programme though. What we have had once or twice, because DWP is UK-wide, they have a high turnover of staff and the ReAct key messages can sometimes get lost with new staff moving around. So we've sometimes had conflict with clients who've been told one thing by the Jobcentre and another thing by us about eligibility etc. It seems to have improved now. Some Jobcentres will just send queries about ReAct directly over to us. In terms of that support for six months plus, once they've been unemployed for six months with the Jobcentre they tend to be eligible for a work programme. We're not allowed to work with clients who are on the Work Programme so we wouldn't work with the same clients then. That connection with us is lost at that point.'* (Careers Wales adviser)

- 4.27 Careers Wales advisers were not aware of trade unions as having any particularly role in ReAct and most were similarly unaware of SSCs playing a part. However, in respect of Sector Skills Councils, one Careers Wales representative recognised that SSCs have been influential in advising on the appropriateness of particular courses:

*'Yes, there are regular updates. It's pretty good, actually. If there are any training courses that are no longer fit for purpose, the ReAct team pass on any advice to us that the Sector Skills Council have given so we can advise people against getting tied to a course that wouldn't attract the funding.'* (Careers Wales adviser)

- 4.28 The **Jobcentre Plus** representative who was interviewed in depth was generally positive about their relationships with other stakeholders:

*'Other stakeholders have worked with us and I can't think of any challenges or issues.'* (Jobcentre Plus representative)

- 4.29 More particularly, this representative was positive about Careers Wales' role in guiding individuals impartially:

*'We have a very good relationship with Careers Wales. We have regular meetings with them. From my own observations, I think it's really effective. I've certainly had feedback from people who've had support from the Careers advisers, and they've found it really helpful and thought provoking for individuals. The benefits of CW support are that it is local, personalised, and face-to-face. It's important to have CW involved for impartiality and good support.'* (Jobcentre Plus representative)

- 4.30 The representative of the **Wales TUC** who was interviewed was also extremely positive about Careers Wales:

*'They're an absolutely critical part of the whole process. Nothing is ever totally smooth but 99 percent of the time it works well. We hear of redundancies, contact Careers Wales and go in with them and Jobcentre Plus on the site. The only problem is that they're under-resourced – the more time they can spend on site the better'* (Wales TUC representative)

- 4.31 This representative also had a positive view of Jobcentre Plus' role but had the caveat that Jobcentre Plus had 'a harder edge' with some focus on benefit reduction and with a high proportion of computerised delivery. As with Careers Wales, this official also saw Jobcentre Plus as under-resourced:

*'It's good. They came in do their presentation, give people information, and tell them about websites. But then they go, whereas in the old days they use to give people one-to-one job application advice. So I would say, good when they're there but they don't have the resources to do more.'* (Wales TUC representative)

- 4.32 Asked to comment on the role of Sector Skills Councils in ReAct, this respondent's view was that this was very limited as following changes to their funding, few SSCs had staff in Wales and, therefore, lacked the capacity to contribute significantly to ReAct.

- 4.33 Most **training providers** were positive about the role Careers Wales played in the ReAct II process and felt that Career Wales' support for individuals had ensured the programme ran smoothly. However, a few providers felt that, in some cases, Careers Wales did not know enough about the courses which providers offer to be able to provide sufficient guidance to individuals. This had led to confusion for some participants, and some additional bureaucracy with paperwork needing to be repeated:

*'Unfortunately from our experience, if you're looking at some of the material that we offer in terms of training, Careers Wales don't really understand it, so the advice they give the individual sometimes is very loose and vague, and sometimes incorrect.'* (Training provider)

*'It has been patchy, I would say, depending on which careers office the guys go to.'* (Training provider)

- 4.34 Most of the providers interviewed had had no engagement with other ReAct II partners. However, one commented that they believed it would be beneficial for Jobcentre Plus to be more involved so they could better inform and signpost individuals to the programme:

*'Many individuals are not aware of what funding is available. If they went to a Jobcentre, for example, then maybe it's the role of a Jobcentre to say, 'If you want to get this type of role you can apply for funding for relevant training via React.'* (Training provider)

- 4.35 One provider also commented that they did not think advice from some SSCs had been beneficial to the ReAct II team as they felt an SSC focus on achieving Level 2 qualifications prior to exploring Level 3 qualifications was preventing some individuals from joining the appropriate courses.

- 4.36 In **summary**, as at the interim evaluation stage, **partnership in support of ReAct** was generally viewed positively, with the main actors, the Welsh Government's ReAct team, Careers Wales, and Jobcentre Plus, each reporting positively on their relationships with the others. Trade Unions and SSCs had a less frequent input to delivery but Welsh Government officials in a position to observe their inputs recognise these inputs as mainly being of valuable intelligence (for example, warning of impending redundancies) and of strategic guidance (for example, advising on the appropriateness of the qualification needs of particular industries). Overall, these findings confirm those of the interim evaluation of ReAct – that earlier evaluation also reported effective working partnerships between the key actors in the delivery of ReAct.

- 4.37 Where limitations to the effectiveness of partnership were observed, these mainly concerned:

- lack of resource limiting the inputs which organisations could make
- some occasional lack of clarity about the allocation of ReAct vis-a-vis Jobcentre Plus programmes – despite the actual demarcation of

ReAct II (as applicable from day one of redundancy up to 6 months) from Jobcentre Plus programmes (as operable only after 6 months' of unemployment).

### **The role of training providers**

- 4.38 Asked about the role of training providers in supplying ReAct II participants with training, **Welsh Government officials'** main point was that offering training up to a particular maximum value (of £1,500) had led to adjustment of provision to fit this limit. One official saw this as a negative process with some employers looking to train recruits unnecessarily to the financial limits:

*'Providers see it as a significant income stream. I think that initially employers may have been encouraging participants to spend the full grant even if certain courses were not necessarily needed.'* (Welsh Government official)

- 4.39 Another official saw the capacity to tailor a package of training within the financial limits as a strength – encouraging value for money provision within that limit:

*'I think it has been beneficial for certain providers. Some training providers have the ability to adjust their fees in order to maximise the amount of benefit to someone. Apparently, you can get multiple courses in a package, which would allow someone to be more employable. So they have adjusted their fees in favour of the candidate, not negatively.'* (Welsh Government official)

- 4.40 Another official observed that ReAct was a valuable source of income for providers, that the provider arrangement worked well, and, particularly, that the fact that individuals procured the training they wanted rather than simply responding to what a local provider had to offer was a particular strength:

*'A free market approach is better for participants as it is demand-led rather than provider-led. The Welsh Government doesn't procure delivery. That's left to individuals with Careers Wales advice. It's an approach which has worked well for many years.'* (Welsh Government official)

- 4.41 **Careers Wales** representatives offered similar assessments of training providers. They saw ReAct as a significant source of income for providers and suggested that there was a tendency to adjust training on offer to participants to fit the maximum grant available – a

factor which could be both negative (unnecessary price rises for courses) and positive (providers offering good value training packages for the money in order to generate business):

*'I'm sure it is quite a lucrative business for training providers. At some points in time they will get a lot of people coming through with ReAct. Certainly, I know both training providers that have put together bespoke packages for people which meet the cost of the ReAct scheme. I don't know if that's necessarily a hiking of prices though. I've seen it the other way round where an individual has needed an additional course to the original one. They've maybe put both of those courses in for £1,500 where generally it would have come to a little bit more. I don't think they've been so much hiking up of prices to, sort of, meet the £1,500, but maybe they will put packages together for individuals that meet that cost.'* (Careers Wales adviser)

- 4.42 A representative of the **Wales TUC** observed that ReAct provision tended to be monopolised by private training providers because Further Education colleges more frequently offered longer term courses and were less flexible on course start dates. A second observation was that the relationship between the ReAct II management team and providers had improved significantly (compared with previous phases of ReAct) as some provider abuses had been eliminated and clear criteria for course eligibility had been more firmly implemented.
- 4.43 In **summary**, thus, **the role of providers** was generally seen positively. While recognising that providers have a commercial interest in ReAct, that interest was mainly seen as stimulating value for money and flexibility of provision.

#### **Delivery: the views of employers**

- 4.44 The survey of 304 employers undertaken for this evaluation asked employers for a variety of information and opinion which concerns delivery of the programme.
- 4.45 Firstly, they were asked if they had contact with a variety of ReAct II partners as a result of becoming involved with ReAct II. If they had had contact they were asked how helpful they had found the organisation to be. Table 4.1 shows the answers to these questions.

**Table 4.1: Contact with ReAct II partners and helpfulness of these partners, percentages**

	<i>Convergence area</i>	<i>Competitiveness area</i>	<i>All</i>
Had contact with the WG ReAct team	53	54	53
	<i>If so, how helpful was the team?</i>		
Very helpful	76	63	71
Fairly helpful	22	31	25
Fairly unhelpful	1	0	1
Very unhelpful	0	2	1
Not known	1	4	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
If had contact with Jobcentre Plus	14	13	13
	<i>If so how helpful was Jobcentre plus?</i>		
Very helpful	69	25	56
Fairly helpful	25	50	31
Fairly unhelpful	0	17	5
Very unhelpful	0	0	0
Not known	7	8	8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
Had contact with Careers Wales	19	11	15
	<i>If so, how helpful was Careers Wales?</i>		
Very helpful	63	50	60
Fairly helpful	29	40	31
Fairly unhelpful	3	0	2
Very unhelpful	0	0	0
Not known	6	10	7
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

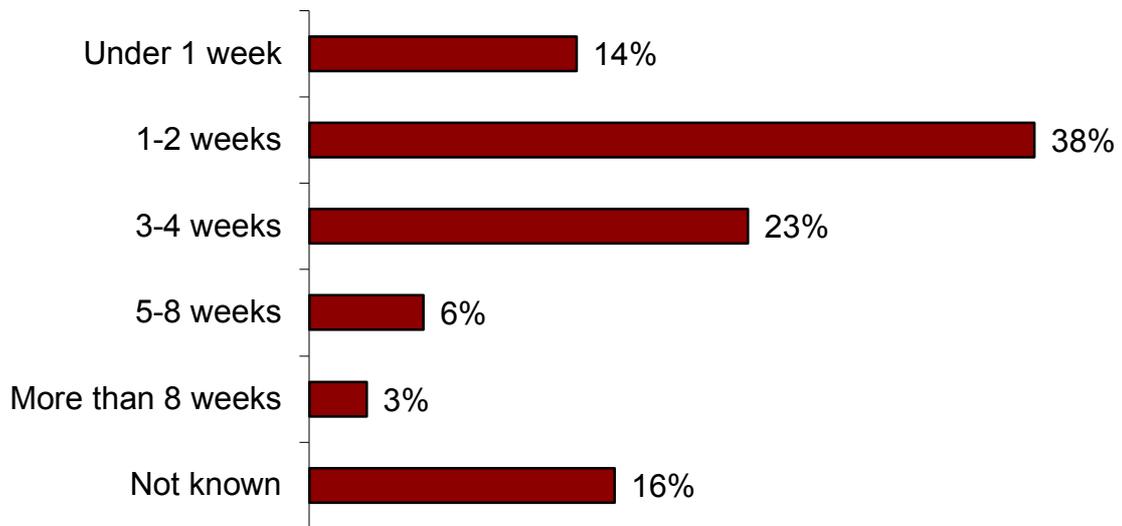
*Base: 304 employers in the 2015 employer survey*

4.46 The data in Table 4.1 shows that the main organisation with which employers had had contact was the Welsh Government's ReAct team. There were no major variations between Convergence and Competitiveness areas in frequency of contact with the various partners. Although employers in the Competitiveness area appeared

less likely to have had contact with Careers Wales, that finding is not statistically significant because of the relatively small sample (94 cases) of employers in the Competitiveness area.

- 4.47 Overall, the table makes the main point that the great majority of employers found each of the organisations to be helpful with only a handful of respondents to the survey finding them otherwise.
- 4.48 The proportions finding the WG ReAct II team, Jobcentre Plus, and Careers Wales fairly or very helpful (see Table 4.1) were 96 per cent, 87 per cent, and 91 per cent respectively. As reported in the interim evaluation report, the corresponding proportions were very similar in ReAct I, at 97, 93, and 91 per cent respectively.
- 4.49 The majority of employers in the survey, 85 per cent, had received Employer Recruitment Support (ERS) – the ReAct II grant to help with recruits' wage costs. These employers were asked how easy or difficult it had been to apply for this support. Eight-two per cent in total had found it very easy (44 per cent) or quite easy (38 per cent). Twelve per cent said it was neither easy nor difficult. Only 4 per cent said it was difficult (3 per cent) or very difficult (1 per cent).
- 4.50 The time between putting in an application for employment recruitment support and receiving approval as reported by employers is shown in Figure 4.1:

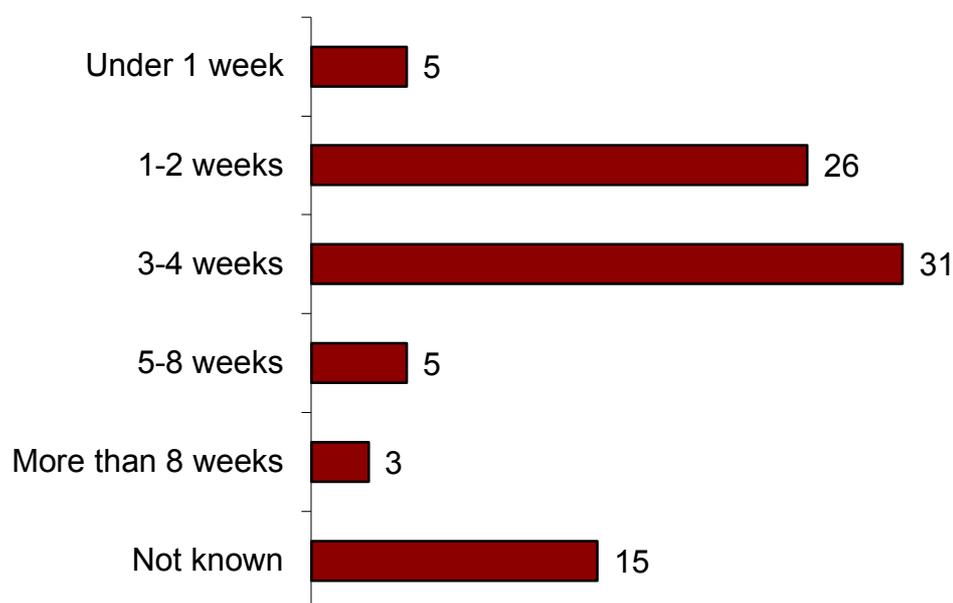
**Figure 4.1: Interval between application for ERS and grant approval, percentages**



*Base: 257 employers in the 2015 Employer Survey*

- 4.51 The period of waiting for approval did not cause any difficulty for three-quarters (73 per cent) of employers and only minor difficult for a further 12 per cent. Only 6 per cent of employers reported the waiting period as being a significant difficulty.
- 4.52 Twenty-eight per cent of employers had received Employer Training Support (ETS), a grant to help with the costs of training new recruits. A majority of these employers had received approval for this grant within 4 weeks and only one in ten waited longer. However, on average, the wait for ETS was a little longer than for ERS:

**Figure 4.2: Interval between application for ETS and grant approval, numbers**



*Base: 85 employers in the 2015 Employer Survey*

4.53 Difficulty caused by a slightly average longer wait for ETS than for ERS was correspondingly reported a little more frequently in the ETS case. Sixty-two per cent said it caused no difficulty, 29 percent said it caused a minor difficulty, and 8 percent said it caused a significant difficulty for the organisation.

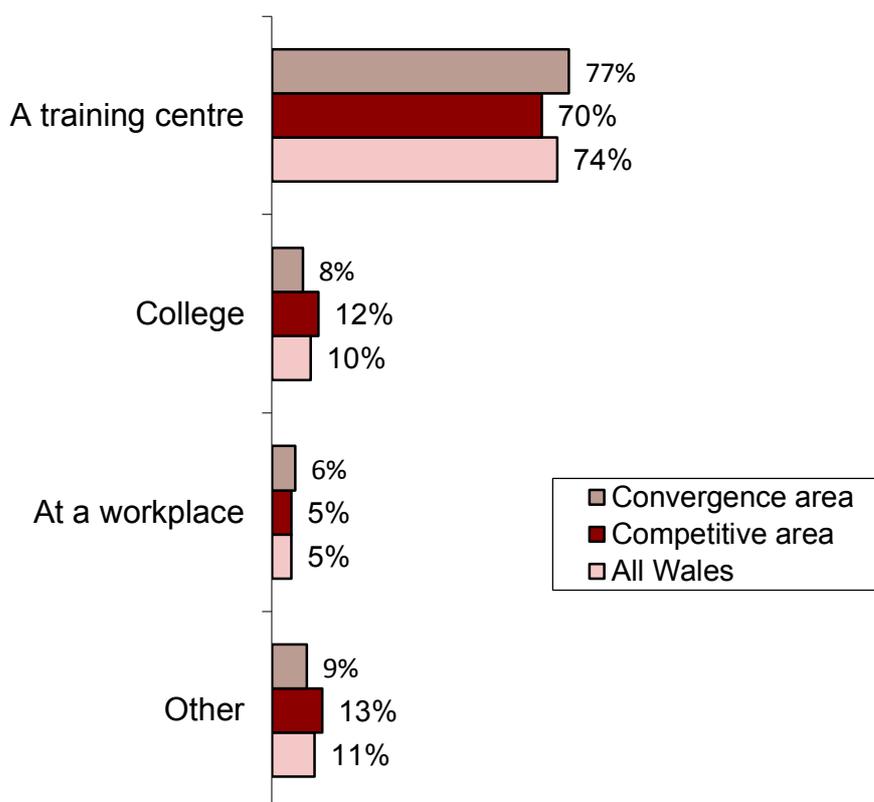
4.54 In **summary** of employer views on some aspects of ReAct II delivery:

- the great majority of employers who had contact with the Welsh Government ReAct II team, Jobcentre Plus, and/or Careers Wales found each of these organisations to be helpful
- most ERS grant applications and slightly fewer ETS Grant applications were approved within 4 weeks and, in most cases, the waiting period for grant approval caused little or no difficulty
- however, confirming some reports by ReAct II managers and deliverers as described earlier in this chapter, longer waits for grant approval, though proportionally few, caused difficulty for a small minority of employers.

### **Delivery: the views of participants**

- 4.55 As noted in the earlier description of methodology, the evaluation obtained information on ReAct II participants' experiences from the ESF Leavers Survey of 2014.
- 4.56 This survey was not undertaken primarily to evaluate ReAct II. The survey focused mainly on the employment and qualification status of participants prior to participation in training and on the benefits gained from it. This is of great benefit to evaluation of the outcomes of participation in ReAct II. The following chapter will report these findings.
- 4.57 The ESF Leavers Survey did not ask questions which bear strongly on the effectiveness of ReAct II **delivery processes**. However, some results from the survey which are **descriptive** of ReAct II participation are set out in the following paragraphs.
- 4.58 A first analysis (Figure 4.3 following) shows that private training companies rather than FE colleges, were the main recipients of ReAct II funding for training, this being slightly less the case in Competitiveness area:

**Figure 4.3: Location of ReAct II training, percentages**



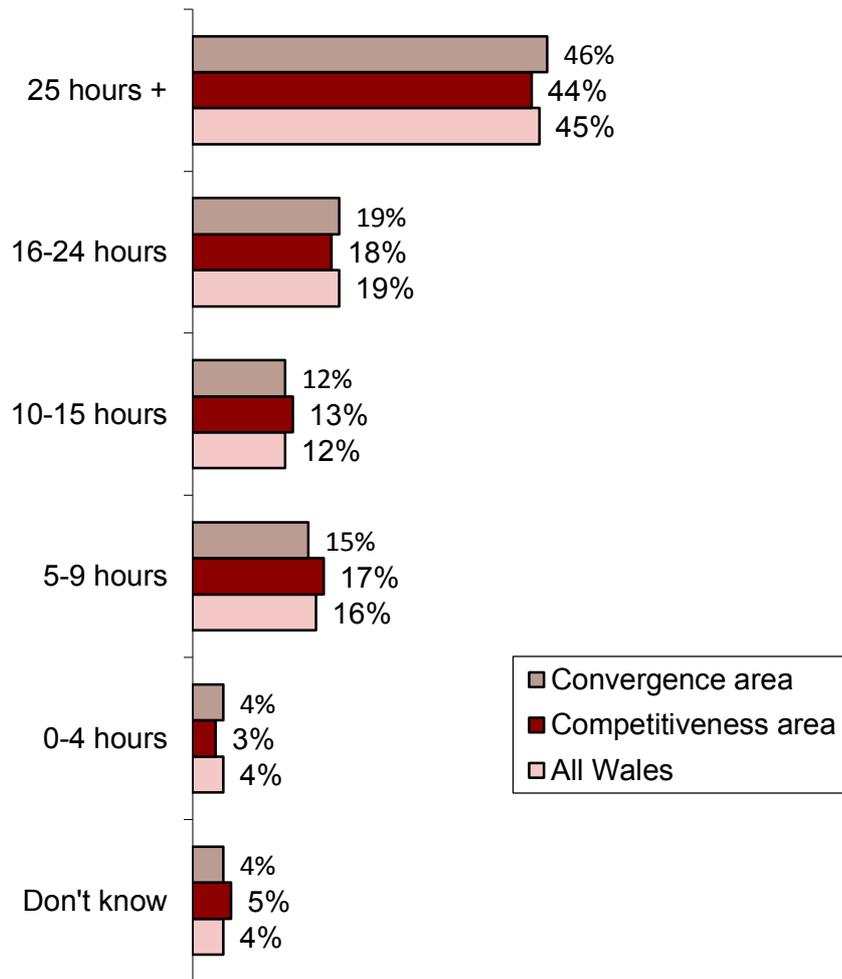
*Bases: 1080 participants in Convergence area and 671 participants in the Competitiveness area from the ESF Leavers Survey 2014*

*Note: 'Other' includes community centres, distance learning; university, conference rooms*

4.59 Courses were mainly undertaken during the working week – in 95 per cent of Convergence area cases and 96 per cent of Competitiveness area cases - rather than in the evenings or weekends.

4.60 The majority of courses were reported by participants as requiring them to spend more than 16 hours per week on the course (see Figure 4.4). However, minorities of participants reported spending few hours in training per week. Whether this reflects the actuality or whether some participants interpreted some training hours, perhaps those in practical sessions rather than in formal tuition, as not being those with which the survey question was concerned is not known.

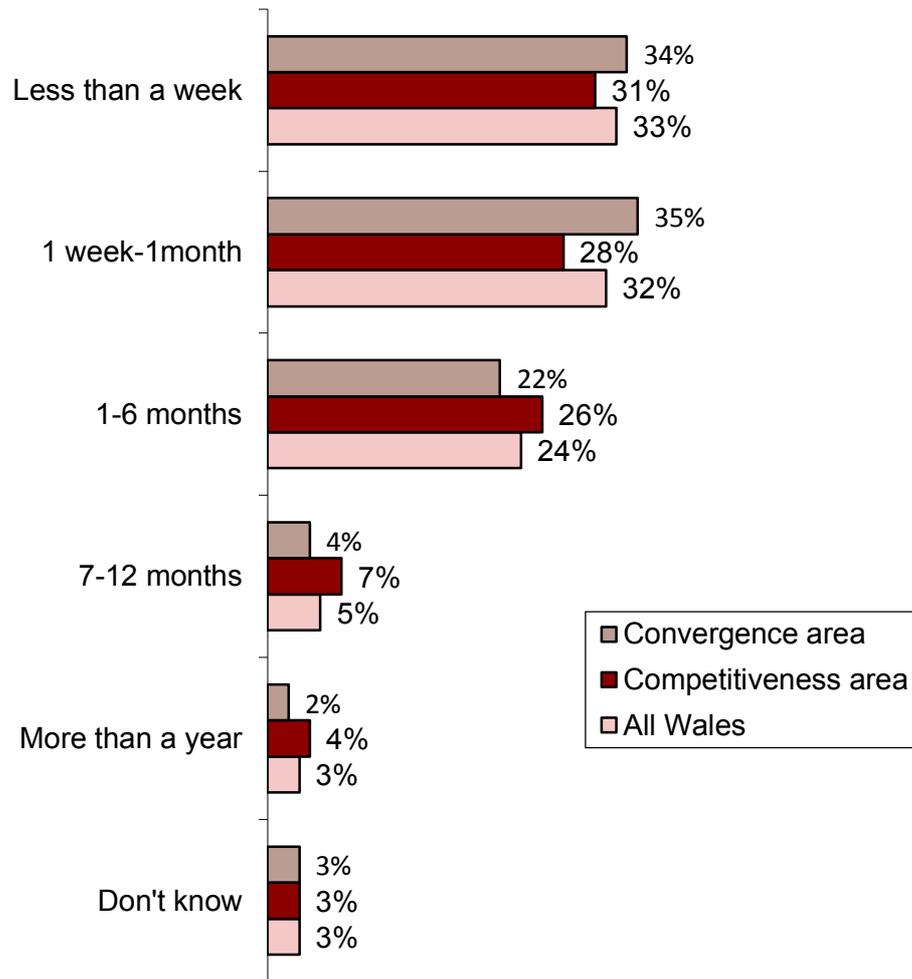
**Figure 4.4: Hours per week spent on course, percentages**



*Bases: 1080 participants in Convergence area and 671 participants in the Competitiveness area from the ESF Leavers Survey 2014*

4.61 Most courses were short, with 7 out of 10 participants in the Convergence area being on their courses for a month or less. In the Competitiveness area, these short courses were slightly less frequent and more participants undertook longer courses (see Figure 4.5).

**Figure 4.5: Length of time on course, percentages**

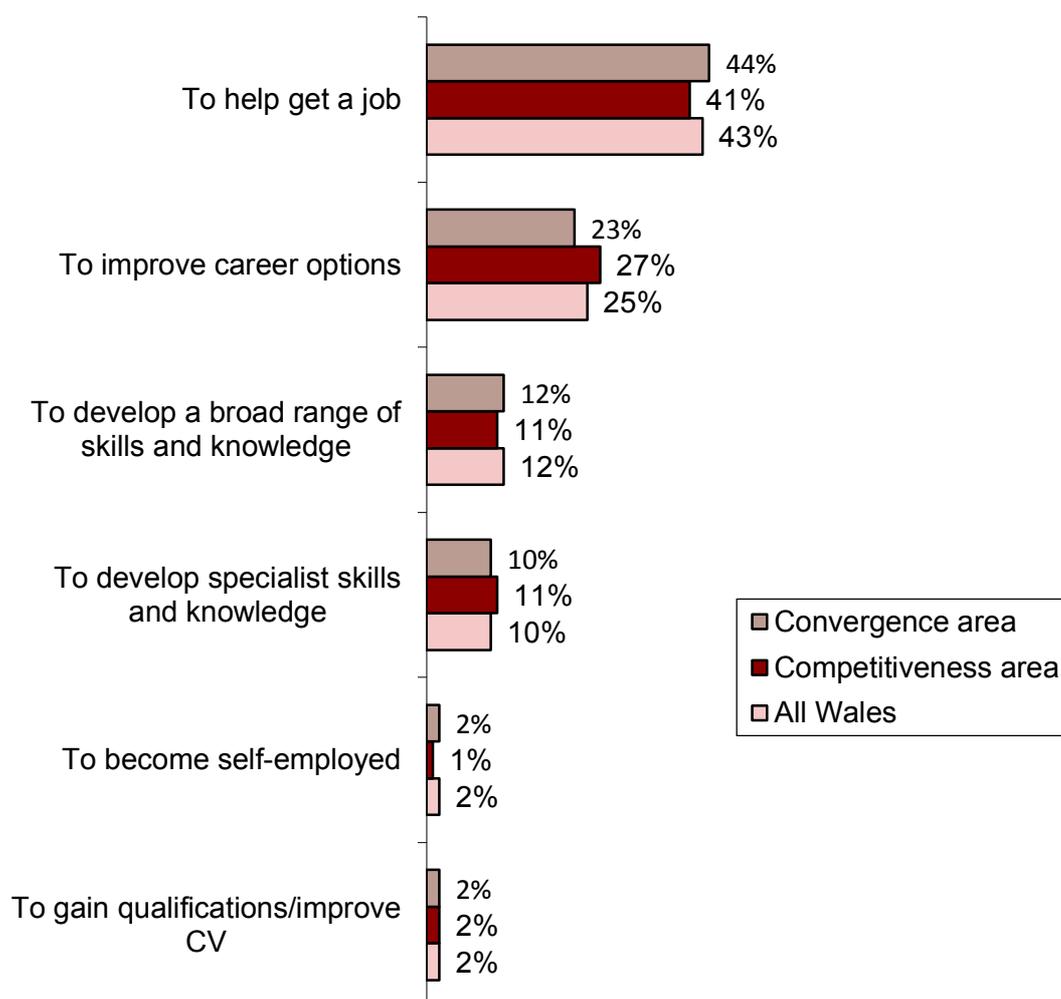


*Bases: 1080 participants in Convergence area and 671 participants in the Competitiveness area from the ESF Leavers Survey 2014*

4.62 The majority of participants – 80 percent in the Convergence area and 72 percent in the Competitiveness area – were aware that ESF funding helped to pay for their course.

4.63 The main reasons for undertaking courses are shown in Figure 4.6. It can be seen that job-related reasons predominate.

**Figure 4.6: Reasons for undertaking ReAct II training, percentages**



Bases: 1080 participants in the Convergence area and 671 participants in the Competitiveness area from the ESF Leavers Survey 2014

Note: No other main reason was given by more than 1 per cent of respondents

4.64 Participants were also asked whether they had thought about doing a course other than the one they undertook. Twenty-five per cent of participants in the Convergence area and 27 percent of those in the Competitiveness area had considered doing another course.

4.65 When these survey respondents were asked why they actually chose the course they took, the most frequent reason was that the course was **better or more suitable** (76 per cent Convergence; 80 per cent Competitiveness) or was more **convenient** in time or place (46 per cent Convergence; 37 per cent per Competitiveness). **Cost** (28 per

cent per Convergence; 27 per cent Competitiveness) was a less frequent factor.

4.66 In **summary**, survey of ReAct II participants shows that in respect of programme delivery:

- most training provision was delivered by private training providers
- training was mainly undertaken on weekdays and was most often completed in 4 weeks or less
- most courses required 16 or more hours per week to be spent on the course but others apparently required fewer hours per week – sometimes less than 10 hours
- most participants were motivated to undertake their courses in order to get a job, improve their career prospects, or to get skills
- if they chose one course over another, the main reason for this choice concerned the value to them of the course much more frequently than its cost.

### **Delivery in respect of Environmental Sustainability and Equal Opportunities objectives**

#### *Introduction*

- 4.67 ReAct II Business Plans for the Convergence and Competitiveness areas contain proposals for actions which would, if followed through, support the achievement of ESF and Welsh Government objectives in respect of Environmental Sustainability and Equal Opportunities objectives.
- 4.68 Discussions with ReAct managers and delivery partners and the survey of employers carried out as part of this evaluation generate information on this aspect of ReAct II delivery. It should be noted, however, that the officials who were interviewed were not necessarily ones who had direct responsibility for the promotion and monitoring of environmental sustainability and equal opportunities in assisted firms. As such, they may not have fully recognised the extent of work by other officials given that management records show evidence of extensive activity to engage employers in these matters.

*Managers' and delivery partners' views on Environmental Sustainability actions*

4.69 Several Welsh Government officials had little knowledge of action in support of Environmental Sustainability or of any effects of such action.

4.70 Others had a clearer impression but one official was not particularly positive about the effect of measures, in this case to support both ESF 'cross-cutting themes':

*'I feel the target provided by WEFO was quite high for the programme. We added questions in application forms to identify employer's policies relating to the cross-cutting themes. We focused our support mostly on those who indicated they did not have these things. Monitoring officers who were meeting employers face-to-face signposted employers to information about equal opportunities and environmental sustainability. After 52 weeks they were supposed to follow up and see if anything had improved. This did not seem to have much impact as large employers tended to already have the accreditations they needed, and smaller employer did not feel they had the time to do these things. The targets were eventually reduced.'* (Welsh Government official)

4.71 Another official described action in support of Environmental Sustainability including target-setting and monitoring:

*'We had targets for employer action. We developed guidance packs on environmental good practice. The monitoring team go to employer premises before the first ReAct claim and use a checklist of practices and suggest how things can improve. Then we do follow-up visits and document progress.'* (Welsh Government official)

4.72 This official was not, however, convinced of the effectiveness of some of this work, noting that there were no physical inspections of employer sustainability practices.

4.73 Delivery partners were generally not aware of environmental sustainability action. A typical comment was:

*'I'm not really aware of anything they've done, really, to support that. That sort of information isn't filtered down to us.'* (Careers Wales adviser)

*Managers' and delivery partners' views on Equal Opportunities action*

- 4.74 The government officials who were interviewed mostly had the view that Equal Opportunities were mainly pursued simply by the operation of ReAct in a non-discriminatory way:

*'As a project, it just offers that support for people who have been made redundant. I don't think it discriminates or highlights any preferential treatment for any group really, but it doesn't isolate anyone either.'* (Welsh Government official)

- 4.75 One official simply observed that there had been no particular encouragement of equal opportunities in ReAct but, again, that non-discrimination was general practice in Welsh Government interventions:

*'There's no preferential treatment for any particular group. I can't say equal opportunities have been encouraged more than in any other project. I think it's something that every project delivers.'* (Welsh Government official)

- 4.76 Other officials were aware of action but not particularly knowledgeable about what action or its effectiveness:

*'I'm aware that we try and get fair representation but I'm not sure of the effectiveness of this and if these strategies have been taken on board.'* (Welsh Government official)

*'I know some employers have been signposted to equal opportunities policies, but not much else.'* (Welsh Government official)

- 4.77 One official pointed out that, in terms of the balance of support to men and women, ReAct had higher intrinsic demand for support from men:

*'The problem is that the industries ReAct works with tend to be more male-dominated. I estimate there is a 70:30 male/female split so ReAct naturally trains more redundant men.'* (Welsh Government official)

- 4.78 As with Environmental Sustainability, delivery partners had no clear views on Equal Opportunities action, other than that ReAct was required to be non-discriminatory:

*'I'm not aware of anything other than knowing that no-one would be discriminated against.'* (Careers Wales adviser)

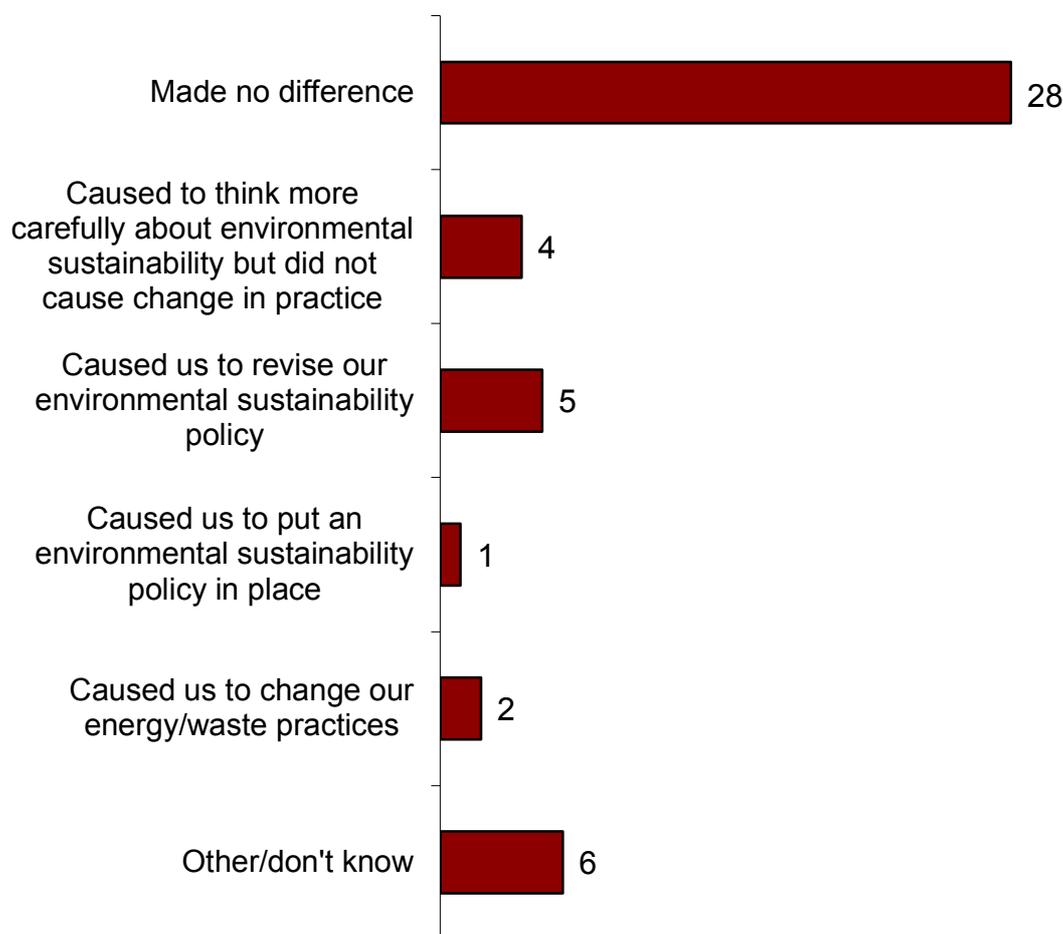
*Environmental Sustainability and Equal Opportunities: management records*

- 4.79 Whilst, as above, some government officials were not wholly clear about action to promote environmental sustainability and equal opportunities, management records – information placed into the EDMS by programme Monitoring Officers – provides a more substantive account of activity and the results of that activity.
- 4.80 Records show numbers of assisted employers who were engaged in the environmental sustainability and equal opportunities agendas at various levels of engagement – from raising of their awareness (for example, by provision of leaflets and other information) to changes in their strategies or to adoption of strategies for the first time.
- 4.81 Analysis shows that 68 per cent of 1,108 employers monitored were engaged to some degree in respect of their Equal Opportunities policies and that 66 per cent were engaged to some degree in respect of their Environmental Sustainability policies.
- 4.82 Numbers which actually enhanced their existing policies or established a policy for the first time (recorded in the recording system as ‘Policy enhancement or creation’) were lower – 59 employers (5 per cent) in the case of Equal Opportunities and 47 employers (4 per cent) in the case of Environmental Sustainability.

**Environmental Sustainability and Equal Opportunities: employer survey data**

- 4.83 The evaluation’s employer survey asked ReAct II employers whether they had received any materials, advice, or signposting relating to the organisation’s Environmental Sustainability policies as part of their involvement with ReAct II. Fifteen per cent of employers recalled receiving this, 61 per cent said they had not received this, and 24 per cent could not remember either way. The 15 per cent figure for employers recollecting receiving advice on environmental sustainability compares with 16 per cent in ReAct’s 2008-2011 phase (ReAct I).
- 4.84 The 15 per cent – 46 cases in the survey – who had received materials, advice, or signposting were then asked whether this had made any difference to the organisation. There had been some impact for 8 of the 46 cases (see Figure 4.7):

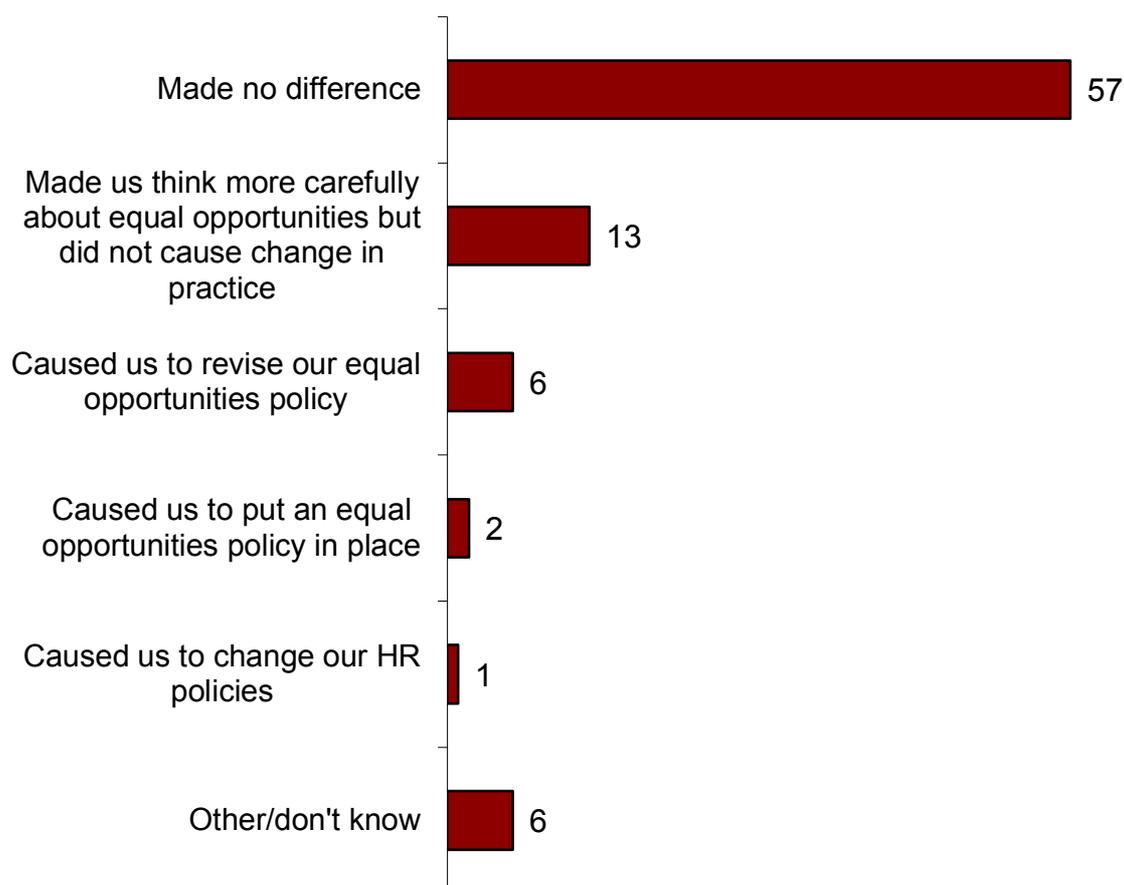
**Figure 4.7: Difference made as a result of environmental sustainability advice, numbers**



*Base: 46 employers in the 2015 Employer Survey*

- 4.85 Employers were similarly asked if they recalled receiving any materials, advice, or signposting relating to the organisation's Equal Opportunities policies as part of their involvement with ReAct II. Twenty-eight per cent recalled receiving this, 49 per cent said they had not received this, and 23 per cent could not remember either way. The 28 per cent figure for ReAct II compares with 21 per cent for ReAct in its 2008-2011 phase (ReAct I).
- 4.86 The 28 per cent – 85 cases in the survey – who had received materials, advice, or signposting were asked whether this had made any difference to the organisation. There had been some impact for 9 of the 85 cases (see Figure 4.8):

**Figure 4.8: Difference made as a result of equal opportunities advice, numbers**



*Base: 85 employers in the 2015 Employer Survey*

### **Delivery of Environmental Sustainability and Equal Opportunities objectives: summary**

- 4.87 Evidence in respect of delivery of these objectives is ambiguous in some respects. Some managers involved in ReAct's management and delivery who were interviewed in the course of the evaluation had little knowledge of procedures or of the effects of those procedures.
- 4.88 However, management records show that awareness-raising activity – delivery of information and signposting – was widespread. Only minorities of employers (in survey) recalled receiving this. In some cases, this may be a failure of memory or simply reflect that the individuals given the information were not the same individuals who responded to the survey.
- 4.89 In both cases (management records and employer survey) data suggests that actual enhancement of existing policies or

establishment of policies for the first time was limited (though in some cases – given the quite high proportion of medium-sized and larger businesses which received support – it may be that adequate policies were in place and no revision was necessary).

## **Delivery in respect of the Welsh language**

### **Introduction**

- 4.90 As with other interventions, the Welsh Government sought to mainstream use of the Welsh language in the ReAct programme. Managers of ReAct and the programme's delivery partners were asked, in discussions with them, for their views on ReAct's effectiveness in this. In the evaluation's survey of employers, employers were also asked to report how the Welsh language was used in ReAct II training.

### **Managers' and delivery partners' views on Welsh language promotion in ReAct**

- 4.91 Three Welsh Government officials commented on the position of the Welsh language in the ReAct programme. Their views were similar and essentially made the points: that use of Welsh documentation is standard practice in ReAct as in all other public provision in Wales; that bi-lingual training materials and opportunities were available if needed to meet demand; but that demand within ReAct, outside of North Wales, was low. Some comments on this issue were:

*'I know everything's in Welsh as well as English on any paperwork, but I think that's across the board on any project within Wales. You do get the option with Careers Wales if you want to discuss with a Welsh language representative. Again, it's just something about living in Wales. I think everything is bi-lingual. I haven't had any requests through any candidates or employers that things have to be put in Welsh, but they are available.'* (Welsh Government official)

*'I know that all opportunities and materials etc. can be made available in the Welsh language. However, I'm not sure how widely this is needed – it's more a matter for North Wales than other areas.'* (Welsh Government official)

*'The requirement for the Welsh language is low – both in terms of learning the language and having courses delivered in it. Only 200 individuals on the programme have asked for provision in Welsh.'*

*Support is available and we can signpost to it, but it is not something that is in high demand.’ (Welsh Government official)*

- 4.92 One Careers Wales adviser recognised that training in the Welsh language was supported by ReAct and that documents were bilingual:

*‘They have accepted courses for people to do Welsh language courses, so I guess they are involved in that kind of thing. They are funding courses for people, which is quite important, and the paperwork is in Welsh, so no problem there.’ (Careers Wales adviser)*

- 4.93 Another Careers Wales adviser believed that there was a ‘vicious circle’ in respect of the availability of training provision in the Welsh language – this provision isn’t made available because of ‘lack of demand’ but demand doesn’t materialise because there is little provision for which demand can emerge. The adviser also reported that they encouraged the use of Welsh by informing trainees that not all aspects of courses had to be in Welsh – there could be flexible application of the language to meet individual needs:

*‘I think there’s a bigger question here. I think there’s an issue in terms of how much training is available through the medium of Welsh anyway. If it is there, how do you find it? The learning providers will say, ‘Well we can only offer it if we’ve got people to go on it and the demand isn’t there,’ so it’s a vicious circle really so training in Welsh has been infrequent. Also, a lot of the redundant people that we see, a lot are 24 plus, in which case they may not have had any educational training through the medium of Welsh prior to that. It would make them nervous. What we remind them of is that it hasn’t got to be completely Welsh language, you could do written work in English but have your face-to-face in Welsh. Your conversation and your day-to-day feedback and your mentoring can all be through the medium of Welsh. It hasn’t got to be all or nothing.’ (Careers Wales adviser)*

### **The Welsh language: employer survey data**

- 4.94 The low demand for Welsh training provision reported by ReAct managers was evident in employer survey responses. Only 5 out of 304 employers surveyed said that their ReAct II recruits or trainees required training in Welsh language skills and only 2 reported that they required other training delivered through the medium of Welsh. In

4 out of the first 5 cases, and in both of the second two cases, this training was provided.

#### **Promotion of the Welsh language in ReAct: summary**

- 4.95 Discussions with managers of ReAct reported that materials and provision in the Welsh language were available as a matter of course in ReAct in line with Welsh Government policy. There was, however, believed to be little demand for Welsh language provision.
- 4.96 This last perception was confirmed by the evaluation's employer survey which showed demand for training in or through Welsh to be very low during ReAct II.

## 5. Findings: outcomes of ReAct

- 5.1 This chapter shows the benefits for individuals and employers of participating in ReAct II. These benefits are considered for their ‘additionality’ – the extent to which they represent gains over and above those which may or would have occurred in the absence of the programme. The results of impact and cost benefit analysis of ReAct II are also set out.

### Key points

- As context for a review of the outcomes of ReAct II, it is observed that the programme has retained the strong support of government officials and ReAct II’s delivery partners.
- It was believed by government officials that changes made to the programme in April 2011 – principally a reduction in the maximum training grant to individuals and an increase in the wage subsidy to employers – had not had negative effects and may, in the ‘individuals’ case, have improved the programme’s value for money.
- Training providers, however, reported that the reduced grant to individuals had lowered the number of individuals who took up the grant.
- Government officials and delivery partners were mainly positive about the outputs and outcomes which ReAct II achieved though one concern was expressed that too few employers were aware of the programme and that enhanced marketing to increase awareness would be beneficial.
- From employer survey data, it is estimated that:
  - employer Recruitment Support was taken up by businesses across a wide range of sectors
  - there was a reasonably high rate of retention of staff recruited with wage support – with staff turnover rates broadly in line with those for staff in the wider economy
  - where staff had left, they had done so of their own volition
  - staff recruited with wage support were, at the time of survey, mainly in jobs with some responsibility – few (2 per cent) were in elementary occupations and many (42 per cent) were in occupations at associate professional level and above

- majorities of employers said that ReAct II had helped them to get workers with the skills and the strong work ethic they needed
- employers receiving Employer Training Support delivered a wide variety of types of training with this support – most frequently job-specific training but, also frequently, ICT, personal skills, management and other types of training
- in addition, two-thirds of employers had supplied further training to their recruits and 71 per cent of employers who received ETS said it had made them more positive about training, many of whom (79 per cent) said it was definite or positive that they would be more likely to invest in training in future
- 95 per cent of employers said it was very likely (74 per cent) or quite likely (21 per cent) that they would recommend ReAct II's Employer Recruitment Support to other employers.
- As context for an appreciation of ReAct II's outcomes for participants, secondary data analysis of the 2014 ESF Leavers Survey showed:
  - participants were unemployed prior to participation in the programme
  - they had a wide spread of qualifications prior to ReAct II – around 7 per cent had no qualifications but around a third had qualifications at Level 4 or above
  - respondents who were unemployed prior to participation most frequently reported their main difficulty in finding work as being the lack of local jobs though minorities recognised lack of skills and of work experience as their main barriers.
- In survey, a high proportion of participants (96 per cent) reported that they completed their courses and nearly 9 out of 10 of these said that they obtained a qualification. However, formal output data (see Chapter 3) presents a somewhat different picture. That data suggests that 56 per cent of participants achieved a qualification which was eligible in terms of WEFO funding.
- Survey data suggests that most of these qualifications, given that most participants undertook short courses, did not receive a qualification with a recognised level but around 30 per cent received a qualification at Levels 2 to 4+. Formal output data again presents a somewhat different picture. This data suggests that 73 per cent of those achieving an eligible qualification achieved a qualification at Level 2 or above.

- At the time of the Leavers Survey, around 81 per cent of ex-participants were in employment.
- Where ex-participants were unemployed (around 12 per cent of cases), they again mainly reported that this was because of lack of local jobs but the proportion identifying lack of skills as a barrier had reduced from its pre-ReAct II level.
- Over 70 per cent of the ex-participants who were in work were in permanent jobs and around 80 per cent were in full-time jobs.
- Where ex-participants were now employed, high proportions expressed satisfaction with most aspects of their job – though the majorities expressing satisfaction with their pay and job security were lower than for those relating to other aspects (such as the work itself or the job’s capacity to allow them to fulfil their potential).
- Ex-participants also reported having gained a wide range of other ‘soft’ benefits – 80 per cent or more reported greater confidence, better job or career prospects, being clearer about available opportunities, and feeling generally better about themselves.
- They also reported gaining a wide range of skills – job-specific, organisational, problem-solving, communications, and team-working skills most frequently.
- ReAct II training was reported by a majority of those in work as having been at least some help in getting their current job – though a substantial minority, of 4 in 10, said their ReAct II training had made no difference in this respect.
- For those who were currently unemployed, a majority said that their ReAct II training had improved their chances of finding work in future.
- A quarter (24 per cent) of ex-participants reported having undertaken training subsequent to their ReAct II course.
- Overall, over 9 out of 10 ex-participants expressed satisfaction with their ReAct II course and most, in the same situation, would repeat it.
- A question which is needed to fully assess the benefits of ReAct II – which, as shown above, were substantial for employers and participants – is whether they would have been achieved even in the absence of the programme.
- Welsh Government officials and delivery partners took the view that:
  - some deadweight, particularly in Employer Recruitment Support,

was inevitable

- it was likely, however, that the total volume of programme benefit through returning people to work and in welfare benefit savings outweighed the cost of any deadweight
  - deadweight in the individual vocational training grant element of the programme was probably low – most supported trainees would not have trained if they had had to pay for training
  - if there was any deadweight in the individual vocational training grant case, the cost of this was again outweighed by the benefits in the enhanced quality and sustainability of the employment which participants subsequently gained and by skills gains to the economy.
- The possibility of significant deadweight in Employer Recruitment Support is suggested by the fact that, as at the interim evaluation stage, 74 per cent of employers reported that it was very likely (37 per cent) or quite likely (37 per cent) that they would have taken on the ERS-supported recruit without the wage subsidy.
  - ERS had some effect in these cases of accelerating recruitment. Four in ten of these employers said that it had brought recruitment forward.
  - Of employers receiving Employer Training Support, 64 per cent said it was definite (33 per cent) or probable (31 per cent) that they would have supplied training supported by ETS even if the grant had not been available.
  - The 2014 ESF Leavers Survey did not ask participants if they would have trained in the absence of a grant. However, in the 2011 interim evaluation survey of participants, only 7 per cent of participants thought it very likely that they would have trained without grant support and only 12 per cent thought it quite likely. If these proportions are taken as proxy figures for ReAct II, they support the view of government officials and delivery partners, as above, that deadweight in the individual grant part of ReAct II in respect of entry into training is low.
  - However, the 2011 interim evaluation also suggested that, while 'entry-to-training' deadweight was low, recipients of individual vocational training grants in the ReAct I, 2008-2011, phase were not greatly more likely to enter employment than were redundant workers who did not receive the grant. If this finding perpetuated into the ReAct II phase, then 'entry-into-employment' deadweight of the individual vocational training grant element of ReAct II may have

been significant.

- Economic gains for assisted firms and employment impacts could not be identified from a formal impact analysis (either because they are not present or because the data available for analysis did not permit sufficiently sensitive analysis). However, cost benefit analysis suggests that, as a result of qualifications gained on the programme, gains in future earnings of ReAct II participants will, over estimated future working lives, be greater than the costs of the programme. These earning gains will, further, produce (uncalculated) public budget gains from tax receipts and reduction in expenditure on welfare benefits which, again, are likely to exceed costs of programme delivery.

## **Introduction**

- 5.2 This chapter considers the outcomes of ReAct II – its benefits for employers and participants. Evidence on these was supplied by discussions with programme managers and delivery partners, by survey of employers, by data extracted from the 2014 ESF Leavers Survey (as noted earlier, a survey undertaken separately rather than directly as part of this evaluation), and by an impact and cost benefit analysis of the programme undertaken on behalf of the Welsh Government by the Institute for Employment Studies.

### **Outcomes: the views of Welsh Government officials and partners**

#### **Context: a supportive delivery environment**

- 5.3 Though not strictly evaluative of ReAct II, an important feature of the programme's management is that the partners who operate it continue to support its underlying rationale, even though the worst effects of the 2008/09 recession have abated. Four quotes below – from a Welsh Government official, from a Jobcentre Plus representative, from a Careers Wales adviser, and from a representative of the Welsh Trades Union Congress – exemplify the general support for ReAct which was evident from respondents from all of ReAct II's main partners:

*'There has been an action redundancy programme in Wales since 1999. This is where ReAct and its name came from. I think the justification for ReAct is still strong and sound. Applications were*

*highest during the recession and then declined a little, but there's never been a period when there have been no applications. Things have been steady. I believe the programme needs to continue as the individuals it supports are close to the labour market and the intervention stops them from becoming long-term unemployed.'*

(Welsh Government official)

*'It's a financial incentive for employers and individuals, in terms of helping them move from one sector to another, or to retrain for a different job compared to the one they've had for a while. I think the rationale is sound. Feedback from individuals and employers who've been through ReAct is that they found it helpful and useful. I suppose the economy is kind of improving in terms of all of the unemployment rates reducing, certainly the number of people claiming Jobseeker's Allowance is reducing, but I still think on an individual level, and possibly an employer's level, there is still a need for funding.'* (Jobcentre Plus representative)

*'ReAct improves the skills of individuals who find themselves out of work in order to meet the needs of the current labour market. It's about helping people who've been made redundant to gain and update their skills to get into the labour market. It also offers incentives to employers who may be nervous about taking on people. Helping and incentivising people to go back into work. The purpose is sound because of the scale of redundancies in recent times.'* (Careers Wales adviser)

*'Originally ReAct responded to manufacturing decline but with the recession, other sectors were affected. ReAct has been able to adjust provision to fit the funding rules and offer more varied courses which meet current needs.'* (Wales TUC representative)

- 5.4 There were, however, some subsidiary concerns expressed. One was that the programme is somewhat inflexible in that the £1,500 financial limit could fund only limited short-term courses which did not necessarily help progression and could just lead individuals through cycles of short-term employment and further training. Another was that demand forecasts, particularly in respect of public sector redundancies, have not been met because of the significant proportion of people who take voluntary redundancy in service sectors.

- 5.5 In addition, most training providers believed ReAct to be a positive programme with a strong rationale. Those interviewed had typically been involved with ReAct for at least three years. Their number of ReAct II learners ranged from single figures to over 40. Unsurprisingly, those with higher numbers of ReAct learners were more likely to see it as an important source of funding. However, those who did not receive a large number of learners through ReAct still saw it as a positive programme to be involved in:

*'It's not hugely important to our organisation as a whole, but it is nice to be able help local people who have been made redundant.'*

(Training provider)

- 5.6 Some providers with smaller numbers of learners hoped to further develop their relationship with ReAct to increase the benefits to their business. Others were happy with what they had achieved, with one provider noting that it had opened up relationships between them and an employer which may lead to further opportunities in the future:

*'It facilitated something that wouldn't have otherwise happened so I'm very grateful for the scheme.'* (Training provider)

### **Programme changes in April 2011**

- 5.7 ReAct II managers and deliverers were also asked about the outcomes of changes made to ReAct II funding in April 2011 – the main changes being a decrease in the maximum sum paid to redundant individuals to support training and the increase in the wage subsidy paid to employers to recruit redundant workers.

- 5.8 It was recognised by one government official that these changes had been made simultaneously with an evaluation report that recommended changes in the other direction. However, it was believed that, financially, the actual decision was sound and that the reduction in the individual training grant improved its value for money:

*'Changes to funds available were made ahead of an evaluation which made the opposite recommendations. Savings had to be made so the training grant was decreased and the employer grant was increased which was contrary to the evaluation. However, from a budget point of view, these were still sensible changes. The change helped focus participants' minds on what training would be most effective – rather than spending a lot on several different things. The main complaint about the reduction was from providers*

*as this was a good source of funding for them.’ (Welsh Government official)*

- 5.9 A second official regretted that budget constraints required the adjustment but also suggested that the impact of the reduced training grant for individuals had not, with the exception of some specific courses, reduced training quality:

*‘Prices were reduced by providers. By and large, the programme has carried on as before. For some courses, such as Microsoft, the price difference was too great and they dropped out, but for most, flexibility in pricing allowed them to continue.’ (Welsh Government official)*

- 5.10 A Careers Wales adviser took the same view:

*‘In terms of reducing the £1,500 we were worried about that, frankly. We thought, “Gosh, you know, this is going to be bad”. It didn’t turn out that way. What we found was that training providers were quite willing to adjust their costs, so a lot of them reduced the cost of their training so people were still able to afford it. Where they weren’t able to do that, we found that a lot of participants were willing to pay for funding themselves. It didn’t cause any huge drop for us that we could see, in terms of take up on training.’ (Careers Wales adviser)*

- 5.11 A second Careers Wales adviser saw the rebalancing of funding as putting emphasis on ReAct II’s function in getting people back into work rather than on encouraging training as an end in itself:

*‘The change emphasised the fact the ReAct is about getting people back into work, not just about securing extra training. It is about employment and getting back into work quickly. I think it did help in that respect.’ (Careers Wales adviser)*

- 5.12 There were, however, some concerns about the wage subsidy to employers. A first concern from a Welsh Government official, was that employers weren’t sufficiently aware of it and recruited redundant workers without receiving the grant:

*‘I think there might be a lack of awareness with employers that funding is available. I’ve heard of a lot of employers who recruit people that have been made redundant but don’t access it.’ (Welsh Government official)*

- 5.13 A further respondent believed that the recruitment grant for employers needed to be at the £3,000 level to provide an incentive but also that the paperwork burden required by ReAct was a disincentive which

prevented employers applying. This respondent also suggested that ReAct tended to operate on an ad hoc basis in which, typically, an individual employer recruited one or two redundant individuals – and that this reduced the incentive power of ReAct II below an alternative in which organisation of a group of redundant workers, collectively with a much more substantial total wage subsidy, might be attractive to large employers looking to recruit new staff.

- 5.14 Training providers were also asked about their understanding of the rationale for changes made to the ReAct programme between ReAct I and ReAct II. Not all providers were sure exactly what the ‘official’ reasons were. Some speculated that they these were related to funding changes within the Welsh Government. A few providers commented that the changes had a negative impact as changes to funding criteria had meant some individuals who would previously have been eligible were no longer so. Although declining numbers may have partially stemmed from an improving Welsh economy, these providers saw negative effects for providers, individuals, and staffing levels:

*‘It minimises their chances of getting trained, and therefore probably minimises their chances of getting employment.’* (Training provider)

*‘We don’t get high volumes. Probably less and less each year as the project has gone on, because I know the funding has been reduced.’* (Training provider)

*‘We used to have staff, but unfortunately we had to let them go as ReAct altered its funding criteria. So a lot of learners no longer qualified for the funding.’* (Training provider)

### **Outputs and outcomes of ReAct II**

- 5.15 Managers and deliverers of ReAct II had varied views on the outputs and outcomes of the programme – numbers of employers and individuals engaged and their subsequent progressions. One government official believed that, drawing on a high number of recruits, the programme was generally successful:

*‘I think the numbers suggest that the programme has been successful from an entry, progression, and conversion perspective. I estimate that 50 per cent have gone into work and further learning. In terms of referrals, ReAct has been mentioned or discussed in over*

*20,000 of our helpline calls with employers.'* (Welsh Government official)

- 5.16 A second official thought employer participation could be higher but that engagement of individuals was highly successful:

*'I would have preferred to have seen more employers taking part. We're currently looking at improving our marketing to attract more employers but I don't think there will ever be a problem recruiting individuals. Targets for individuals have been exceeded at all points of the programme.'* (Welsh Government official)

- 5.17 Another official again commented on restricted awareness of ReAct and the effect of this as being missed opportunities to bring employers who are looking to recruit and redundant workers together:

*'We've had quite a few people made redundant from a project. Another company was looking to recruit people and could've accessed a significant amount of funding, giving them opportunities. I think they recruited them from elsewhere, perhaps even from England, whereas they could've accessed funding and recruited the guys who had been made redundant. So they missed out on a significant amount of funding, and local people missed out on local opportunities.'* (Welsh Government official)

- 5.18 Careers Wales advisers were generally unaware of the programme's engagement targets but anecdotally believed the programme was well-recognised and widely taken up. Two examples of comments to this effect were:

*'I'm not aware of the targets but I think the programme has been well received. Speaking for individual learners, I would say it's well received and employers know about it. As soon as a big redundancy comes, then a team goes out to tell everybody in the workplace about it, so I would say it's well advertised and well received.'*  
(Careers Wales adviser)

*'We don't have our own targets for ReAct at adviser level but I think that there is quite a high pickup of the scheme. There are some people that don't access the ReAct scheme, but I think probably only about a third of the people that I see don't access ReAct.'* (Careers Wales adviser)

- 5.19 A representative of the Welsh Trades Union Congress was also confident of ReAct's positive effects:

*'ReAct works – I'm not sure of the percentage but most get jobs. A decent percentage of people who get ReAct training get jobs directly as a result of the training, then there is an additional percentage of people who are given confidence for the future and are made more active so that even if they don't get a job immediately, they've got the drive to keep looking and not fall into long term unemployment.'*  
(Welsh Trades Union Congress representative)

- 5.20 On the question of progression into employment, there was some lack of clarity in respondents' views. One government official observed:

*'Survey after 6 months showed that 75 per cent are in employment – a rate which didn't drop during recession.'* (Welsh Government official)

- 5.21 Another official was less precise on this issue:

*'We have tried to capture individuals' progression into employment through our own monitoring but have had mixed success. However, it does show that quite a few have entered employment and I think that overall, ReAct is doing quite well in securing employment for trainees.'*  
(Welsh Government official)

- 5.22 All training providers reported that the learners they had through ReAct II were very enthusiastic and engaged with the programmes they undertook. Most providers reported high levels of achievement in terms of qualifications and high levels of progression into employment subsequently. Many providers estimated that more than 90% of their ReAct II learners have gone into employment:

*'We do find that they are very enthusiastic. I don't think we've ever had anybody that has come in, started a course and then just wasted it.'* (Training provider)

*'It has been hugely successful, and it has given a lot of the candidates a lot more scope in the workplace, something they would never have done before, and a lot of them have started their own businesses as well.'* (Training provider)

## Outcomes: data from employer survey

### Introduction

5.23 Respondents to the 2015 survey of 304 employers who had received ReAct II Employer Recruitment Support and/or Employer Training Support were asked a number of questions concerning the programme's outcomes.

### Sector of ReAct employers

5.24 The business sectors of the employers as estimated at the interim and final evaluation stages are shown in Table 5.1:

**Table 5.1: Distribution of ReAct employers by sector, percentages**

	ReAct I	ReAct II
Agriculture	0	0
Production (mainly manufacturing)	21	27
Construction	10	14
Distribution (retail and wholesale), transport, food and accommodation	20	19
Financial and business services	14	20
Public and other services	20	20
Not known	15	0
<b>Total</b>	<b>100</b>	<b>100</b>

*Bases: 2011 interim evaluation (using EDMS figures) and 304 employers in the 2015 Employer Survey*

5.25 The data for ReAct employers' business sectors in the two evaluation periods are not easily comparable because of the volume of unknown sectors in the earlier case. However, it was suggested in discussions with some Welsh Government officials that the programme had shifted somewhat from dealing with manufacturing redundancies to dealing with those in service sectors. In so far as comparison is valid, this does not appear to be the case. The programme has applicability across all business sectors (except that of agriculture).

## Size of ReAct employers

5.26 The size of employers in receipt of ReAct support can also be compared for the two programme periods:

**Table 5.2: Size of ReAct employers, percentages**

	<b>All businesses in Wales</b>	<b>ReAct I</b>	<b>ReAct II</b>
1-9 employees	77	39	47
10-49 employees	16	35	34
50-249 employees	4	17	13
250+ employees	3	9	5
Not known	0	0	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Bases: 54,000 businesses in Wales (statswales website); 100 cases in the 2011 employer survey and 304 cases in the 2015 employer survey*

5.27 As with other comparisons, apparent differences between the two ReAct phases may reflect survey variation. However, if true, the comparison may suggest the following.

- ReAct, in both phases, was taken up disproportionately by larger businesses.
- In ReAct II, penetration amongst the smallest group of businesses may have increased.

## Number of recruits with Employer Recruitment Support

5.28 The proportions of employers taking on different numbers of recruits with Employer Recruitment Support in the two ReAct phases are shown in Table 5.3:

**Table 5.3: Number of recruits with ERS support per ReAct employer, percentages**

	<b>ReAct</b>	<b>ReAct II</b>
1 recruit	80	67
2 recruits	9	12
3-5 recruits	7	12
6-10 recruits	2	2
10 or more recruits	1	1
Not known	0	5
<b>Total</b>	<b>100</b>	<b>100</b>

*Bases: All employers in EDMS at ReAct 2008-2011 stage; 257 supported by ReAct II ERS in 2015 Employer Survey*

5.29 The data in Table 5.3 involves a comparison between ‘official’ records from EDMS in the ReAct 2008-2011 stage and estimates from a survey in the ReAct II phase. The comparison may not be exact therefore. However, the data may suggest that whilst the great majority of employers recruit only 1 or 2 recruits with ERS support, this majority may have reduced between the two periods.

### **Retention of recruits**

5.30 Some employer survey questions concerned the extent to which staff recruited with ReAct II support had been retained.

5.31 The survey estimates that around 460 people had been recruited by the 257 employers in the survey with a ReAct II wage subsidy – an average of 1.8 recruits per employer.

5.32 Fifty-three per cent of these employers reported that all of their ReAct II recruits (just one individual in some cases) was still employed by them and a further 15 per cent said that some but not all of their recruits had been retained. Thirty per cent of employers said that all of their recruits (just one individual in some cases) had left.

5.33 Comparison with findings at the 2011 interim evaluation stage shows that, then, 62 per cent of employers had retained all of their ReAct recruits, 23 per cent had retained some, and 14 per cent had retained

none. The differences between the earlier and later periods may be due to chance (given moderately-sized samples) or to different average intervals between recruitment and the point of survey in the two surveys. Hypothetically, if the variation is a true one, better economic conditions in the later period may have led to greater mobility of labour as more opportunities become available to participants and, hence, a slightly lower rate of retention.

- 5.34 In total, the survey suggests that around 160 employees recruited with ReAct II support had subsequently moved on: that is around a third (35 per cent) of supported staff had left.
- 5.35 This proportion relates to staff recruited across the 2011-2014 ReAct II timeframe and exact annual retention/turnover rates cannot be calculated. However, an average UK annual rate of staff turnover<sup>8</sup> of 15 per cent suggests that ReAct II's estimated 35 per cent turnover rate distributed in relation to recruitment over 3 years may not be unusual.
- 5.36 Further, three-quarters (73 per cent) of employers where recruits had left reported that leaving was instigated by the recruit, with only 10 per cent reporting that recruits left because of dismissal for reasons other than redundancy, and only 7 per cent reported that they had subsequently made recruits redundant.
- 5.37 The 73 per cent figure above compares with 68 per cent in the employer survey undertaken for the 2011 interim evaluation. Again, this may be a survey artefact but, if not, may again reflect increasing mobility in Wales' labour market as the economy recovers.

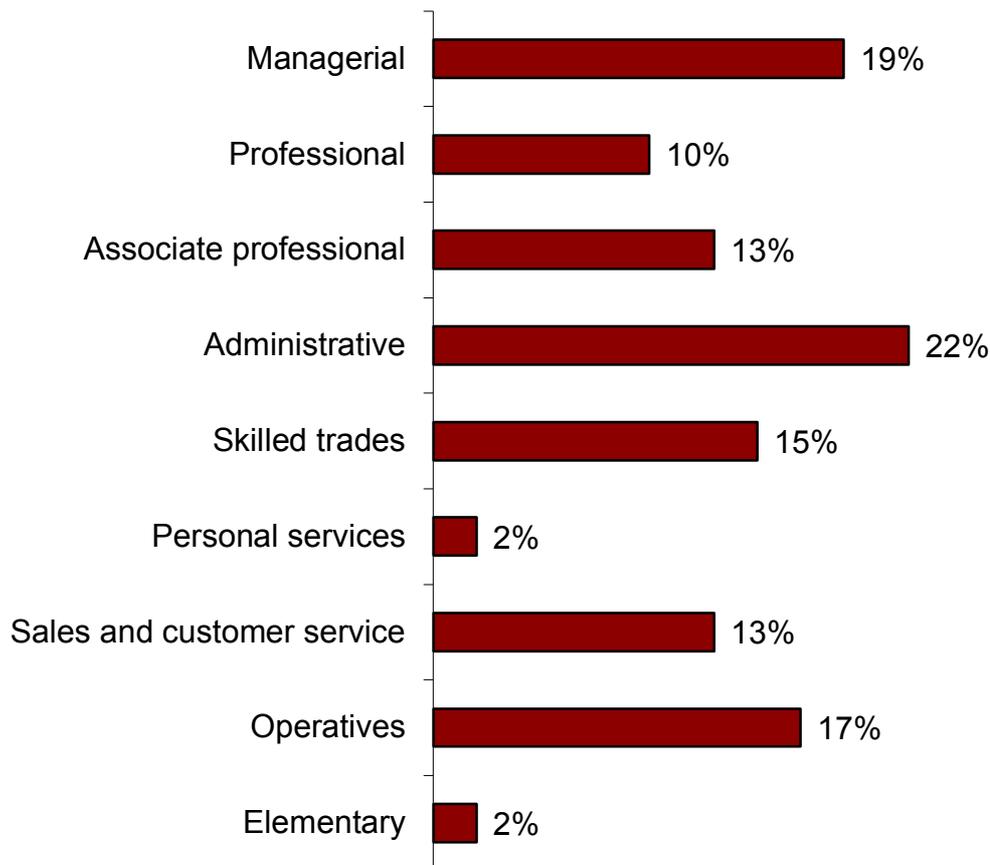
### **Occupations of retained staff**

- 5.38 The current occupations of retained recruits are shown in Figure 5.1 below. The proportions in the figure add to more than 100 per cent because employers with more than one ReAct II recruit could report more than one occupation:

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<sup>8</sup> 2014 figure from research by the Hay Group and the Centre for Economics and Business Research

**Figure 5.1: Current occupations of staff recruited with ReAct II support, percentages**



*Base: 175 employers in the 2015 Employer Survey*

5.39 Figure 5.1 shows that many ReAct II recruits have attained responsible and, presumably, reasonably well-paid jobs. Only a minority were in personal service, sales, or elementary jobs where wages tend to be below average.

### **Benefits of Employer Recruitment Support**

5.40 The survey also showed (Table 5.4) that the outcomes of Employer Recruitment Support were beneficial for majorities of employers who received it and were not at all or not greatly beneficial for only minorities of employer recipients. The scale of benefit was measured by asking employers to rate the benefit on a 1-to-5 scale where 1 meant 'no benefit' and 5 meant 'a very considerable benefit'. The table shows the proportions of employers giving ratings of 1 or 2, of 3, and of 4 or 5:

**Table 5.4: Benefits of ReAct II's Employer Recruitment Support, percentages**

Ratings on a 5-point scale	Convergence area			Competitiveness area			All		
	1/2	3	4/5	1/2	3	4/5	1/2	3	4/5
Getting workers with the skills the organisation needs	17	22	60	16	19	59	16	22	60
Getting workers with good work ethic and habits	14	23	63	16	18	61	15	21	62
Getting assistance with financial assistance to workers' wages	8	11	84	5	9	83	5	12	83

*Base: 257 employers in the 2015 Employer Survey*

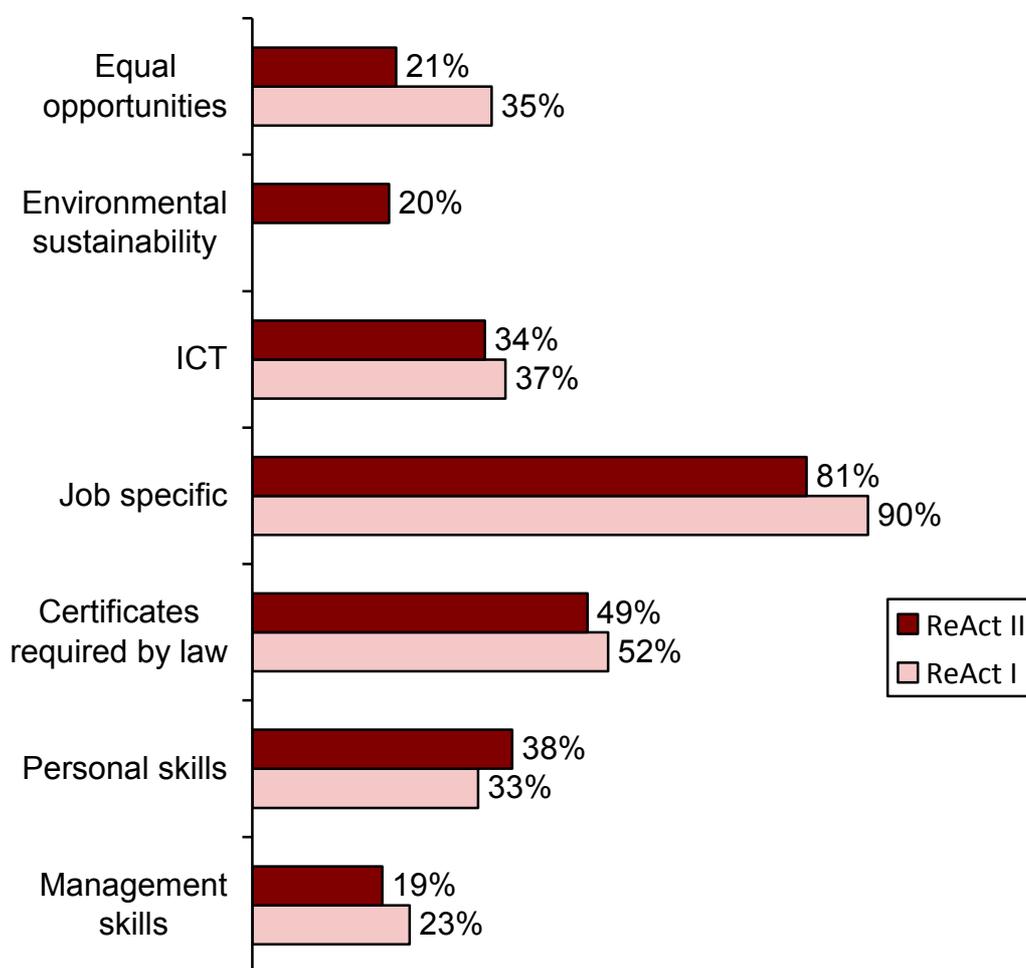
*Note: Excludes small percentages giving a 'don't know' response*

- 5.41 It can be seen in Table 5.4 that majorities of employers experienced all three benefits but that ReAct II's financial assistance was seen as particularly beneficial.

### **Stimulus to training**

- 5.42 The employer survey shows that 28 per cent of employers assisted by ReAct II received Employer Training Support – a grant to contribute up to 50 per cent of the cost of training previously redundant recruits.
- 5.43 The survey estimates that ETS supported the training of 140 recruits – 30 per cent of all recruits recruited with ERS support.
- 5.44 The types of training which were supported were very varied but 8 out of 10 employers, as shown in Figure 5.2, supplied job-specific training. It should be noted that because employers could supply more than one type of training, percentages in the figures add to more than 100 per cent.
- 5.45 Figure 5.2 also compares the ReAct I and ReAct II phases in respect of training types. The sample sizes in both cases are quite small and apparent differences may be due to this. However, at face value, the figures suggest that the variety of training supplied by employers may have reduced with lower proportions of employers delivering all of the types (except personal skills training):

**Figure 5.2: Types of training supplied to recruits with funding by ReAct Employer Training Support, percentages**

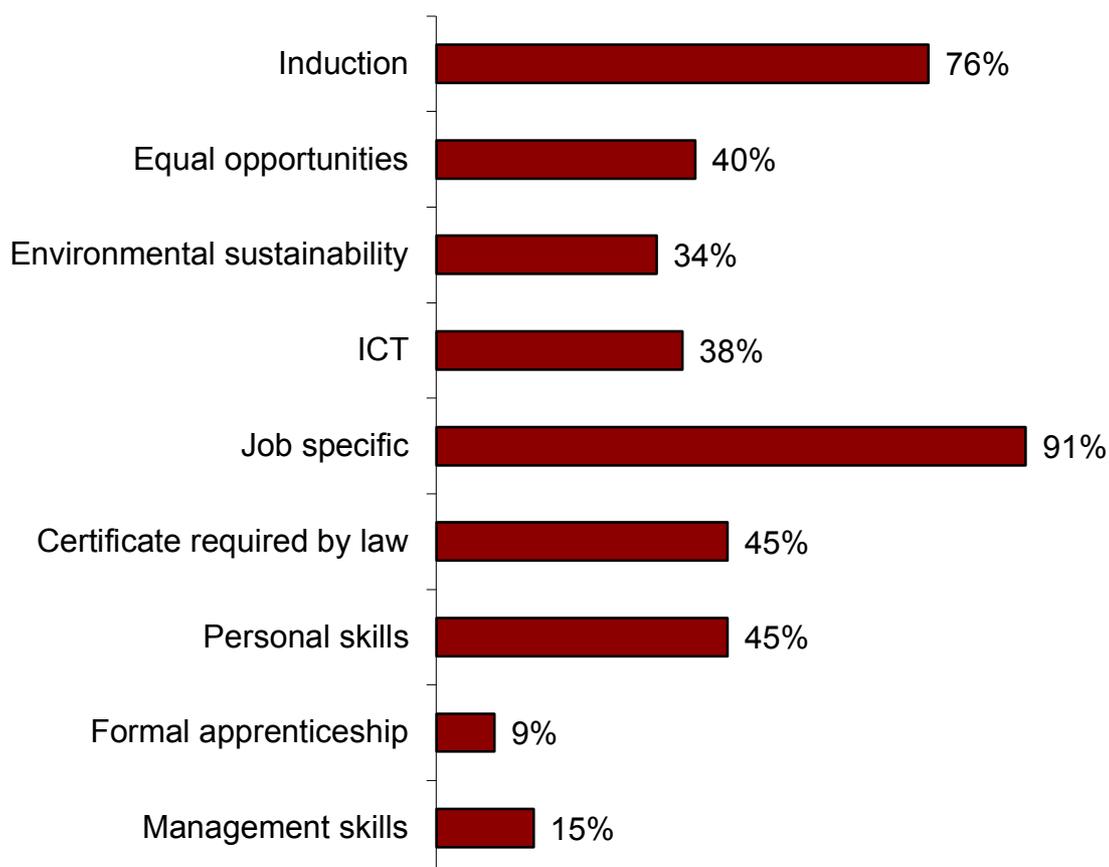


Base: 52 employers in the 2011 Employer Survey 85 employers in the 2015 Employer Survey

Note: No figure for Environmental Sustainability training in 2011

5.46 However, in addition to training part-funded by ETS, employers provided a wide range of other training **not** supported by ETS. Two-thirds (66 per cent) of all ReAct II employers had supplied training to recruits other than that part-funded by ETS (67 per cent in ReAct I). The distribution of this training by type is shown in Figure 5.3. Again, it can be seen that training was varied but a great majority of those employers who trained supplied job-specific training. Percentages in Figure 5.3 add to more than 100 per cent because employers could fund more than one type of training:

**Figure 5.3: Types of training not funded by the ReAct II Employer Training Grant, percentages**



*Base: 201 employers in the 2015 Employer Survey*

5.47 Of employers supplying training other than that supported by ETS, 92 per cent had funded it. Only 7 per cent had received other Welsh Government support to its cost, and only 1 per cent reported that employees themselves had funded it.

5.48 Where employers had received ETS, in 71 per cent of cases an effect was that it had made them more positive about training – and, in total, 78 per cent of these said it was definite (43 per cent) or probable (35 per cent) that they would be more likely to invest in training as a result of involvement with ReAct II.

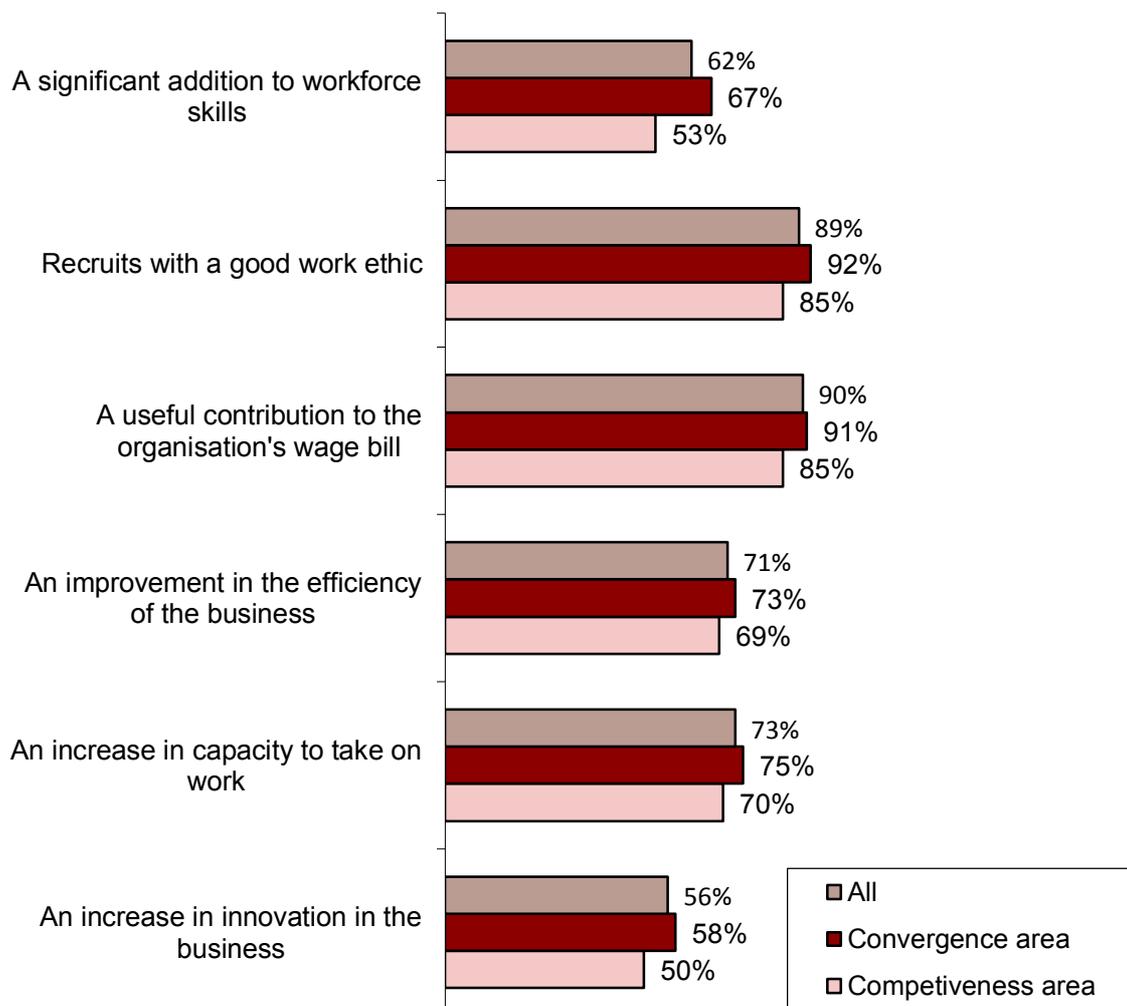
5.49 These statistics are considerably more positive than those for the ReAct I In that earlier case, only 31 per cent of employers said ETS had made them more positive about training (of whom 49 per cent said their organisation was definitely more likely to invest in training). Overall, figures for the two phases suggest that the proportion of firms

more likely to invest in training as a consequence of receiving ETS has doubled from 15 to 30 per cent between the two ReAct phases.

### Overall benefits of ReAct II participation for employers

5.50 As a summary, all employers in the survey (not just those in receipt of ERS as in Table 5.1) were asked whether they had benefited from involvement with ReAct II. Their responses are shown in Figure 5.4. It can be seen that benefits to the wage bill and in obtaining recruits with a good work ethic were most frequently reported but that other benefits were each reported by majorities of employers. It can also be seen (Figure 5.4 following) that employers in the Convergence area were somewhat more likely than those in the Competitiveness area to report benefits:

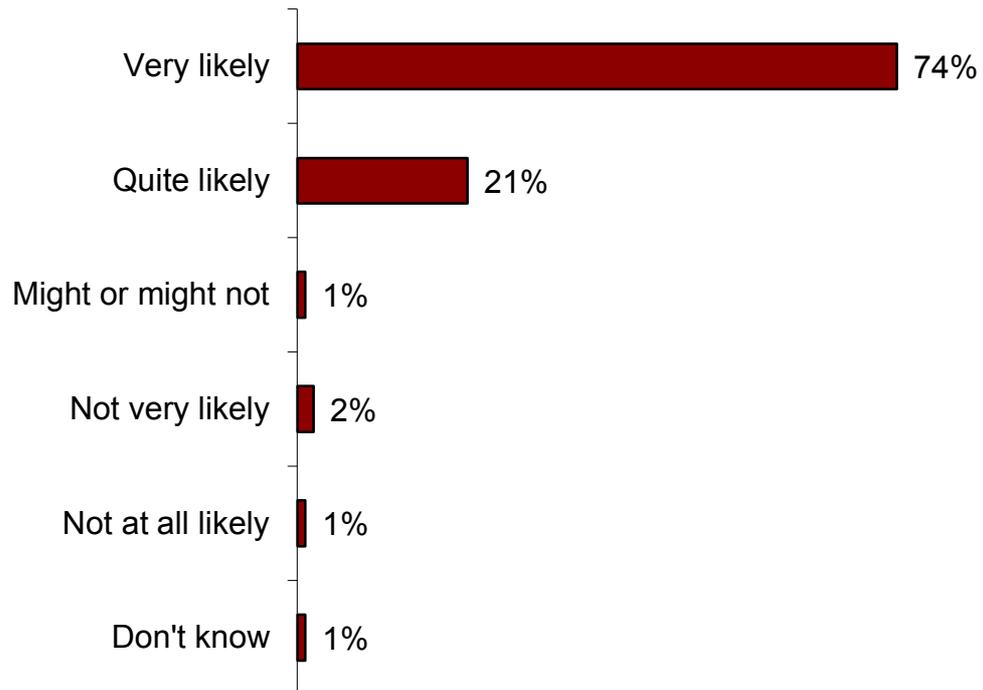
**Figure 5.4: Benefits to the organisation from engagement with ReAct II, percentages**



Base: 304 employers in the 2015 Employer Survey

5.51 As a final indirect indicator of benefit, employers were asked (see Figure 5.5) if they would recommend ReAct to other organisations similar to their own. Seventy-four per cent said this was very likely and a further 21 per cent said it was quite likely. Only 3 per cent in total said it was not very or not at all likely:

**Figure 5.5: Likelihood of recommending ReAct II's Employer Recruitment Support to other organisations, percentages**



*Base: 257 employers in the 2015 Employer Survey*

### **Summary of outcomes for employers**

5.52 In summary outcomes for employers included the following:

- ReAct II recruits appear to have had a reasonable (i.e. not especially high) rate of staff turnover subsequent to their recruitment and if they left, they mainly did so of their own volition.
- Many ReAct II recruits were in intermediate or higher level occupations by the time of the employer survey – only a minority were in lower occupational grades – suggesting that, on average, they make a significant contribution to their employers' operations.
- A proportion of ReAct II employers (66 per cent) which is substantially above that which was supported by Employer Training

Support (28 per cent) supported further training of ReAct II-supported recruits (beyond that funded by ETS).

- Substantial minorities of employers who had received Employer Training Support reported that they were more positive about training and more likely to invest in it as a result of involvement in ReAct II.
- Majorities of employers reported each of a range of business benefits from involvement in ReAct II and 95 per cent were at least quite likely to recommend the programme.

### **Outcomes: data from survey of participants**

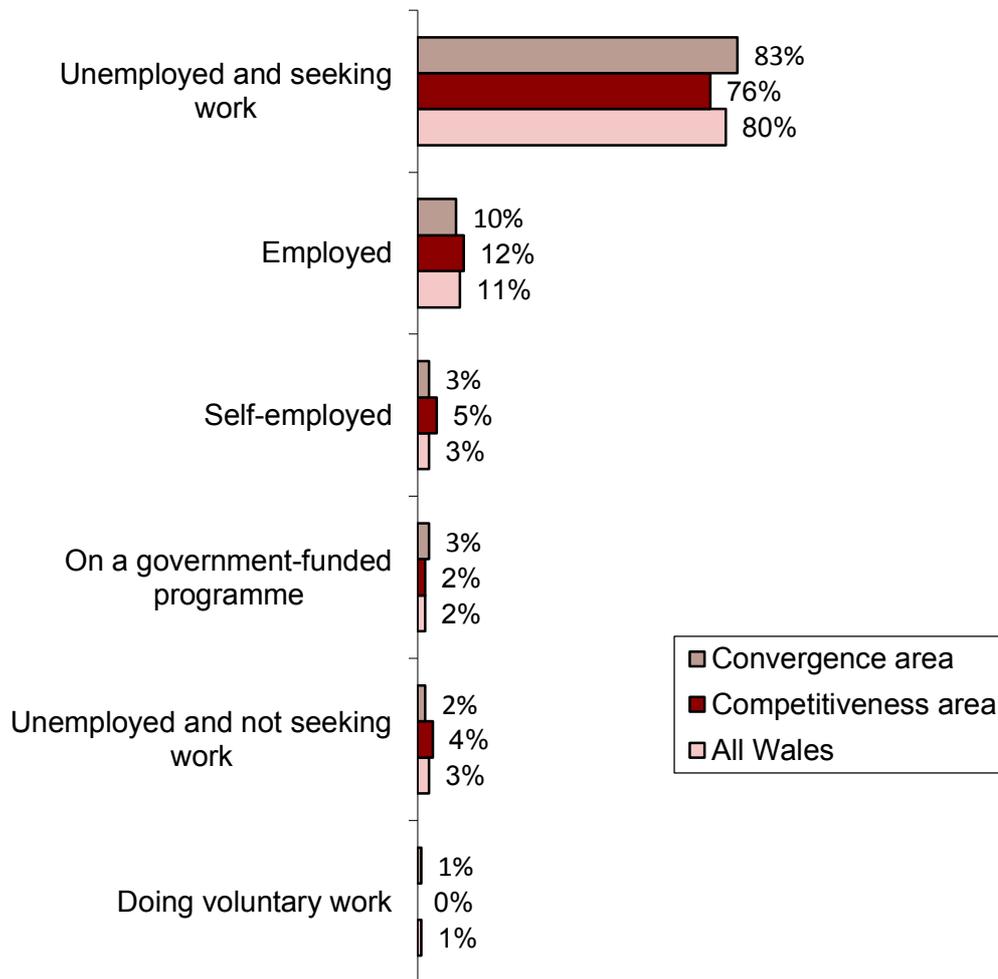
#### **Introduction**

- 5.53 Data on ReAct II participants was, as noted in the Methodology chapter earlier, extracted from the wider survey of ESF leavers undertaken independently of this evaluation. This data is used here to describe outcomes for participants of ReAct II – 1080 participants in the Convergence area and 671 participants in the Competitiveness area.

#### **Context: participants' status prior to participation in ReAct II**

- 5.54 As would be expected, most participants were unemployed and seeking work prior to ReAct II, this being more frequently the case in the Convergence area:

**Figure 5.6: Employment status of ReAct II participants prior to participation, percentages**

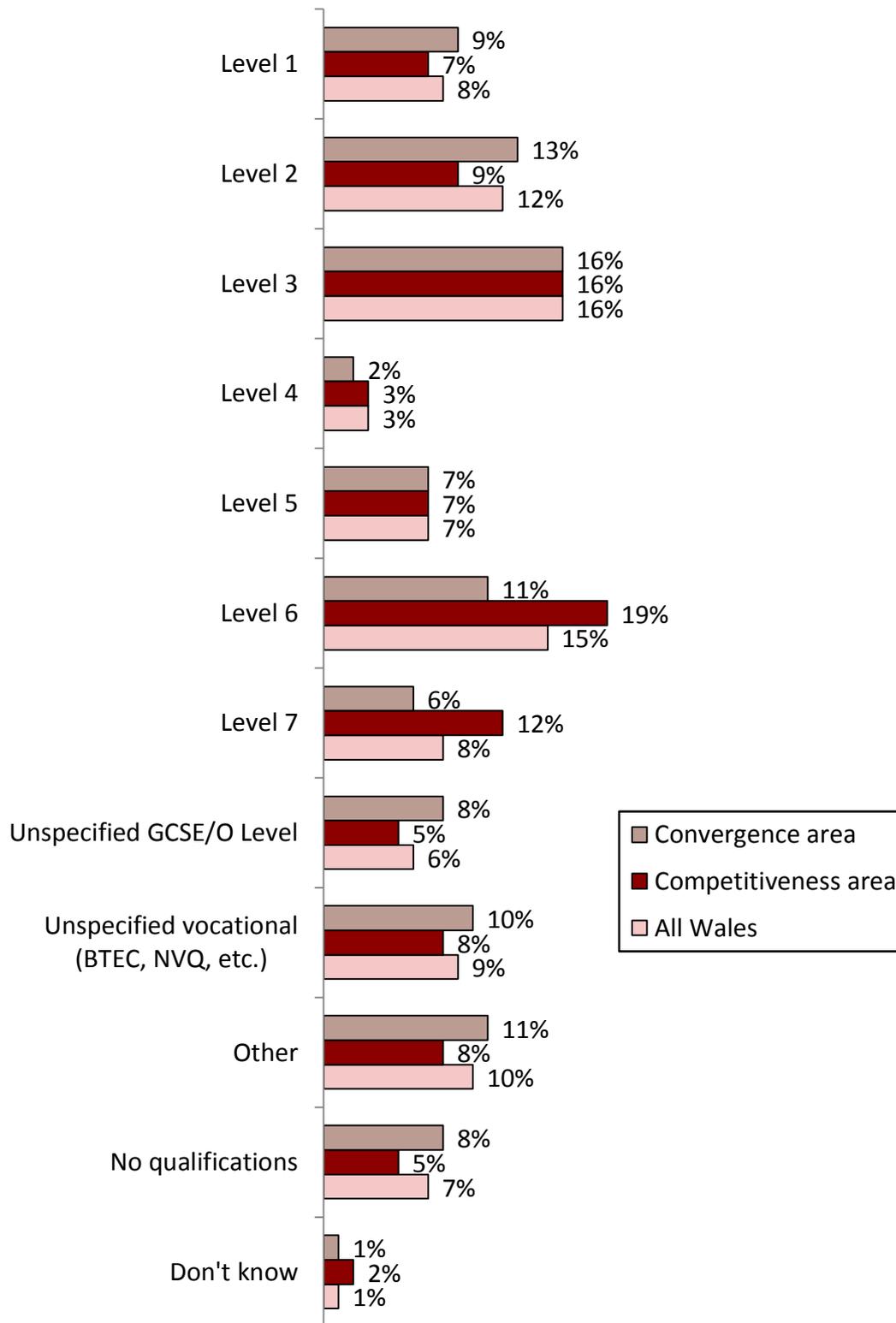


*Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area*

5.55 Although most participants were unemployed immediately before ReAct II participation, a substantial proportion (as would be expected) reported that, between the end of their full-time education and their status immediately before starting ReAct II training, they had been in employment. In the Convergence area, 57 per cent said they had been continuously in work and a further 38 per cent had been in work for most of this time. Only 5 per cent reported other statuses, such as mostly having been in education or mostly having been unemployed. The corresponding proportions in the Competitiveness area were 56 per cent (continuously in work), 38 per cent (mostly in work) and 6 per cent (other).

5.56 The qualification levels of participants prior to ReAct II were widely spread. The highest qualifications of participants prior to ReAct II are shown in Figure 5.7. It can be seen that few participants were wholly unqualified and, for the remainder, highest qualification levels ranged across a spectrum from Level 1 to Level 7, with average prior highest qualifications being a little higher in the Competitiveness area:

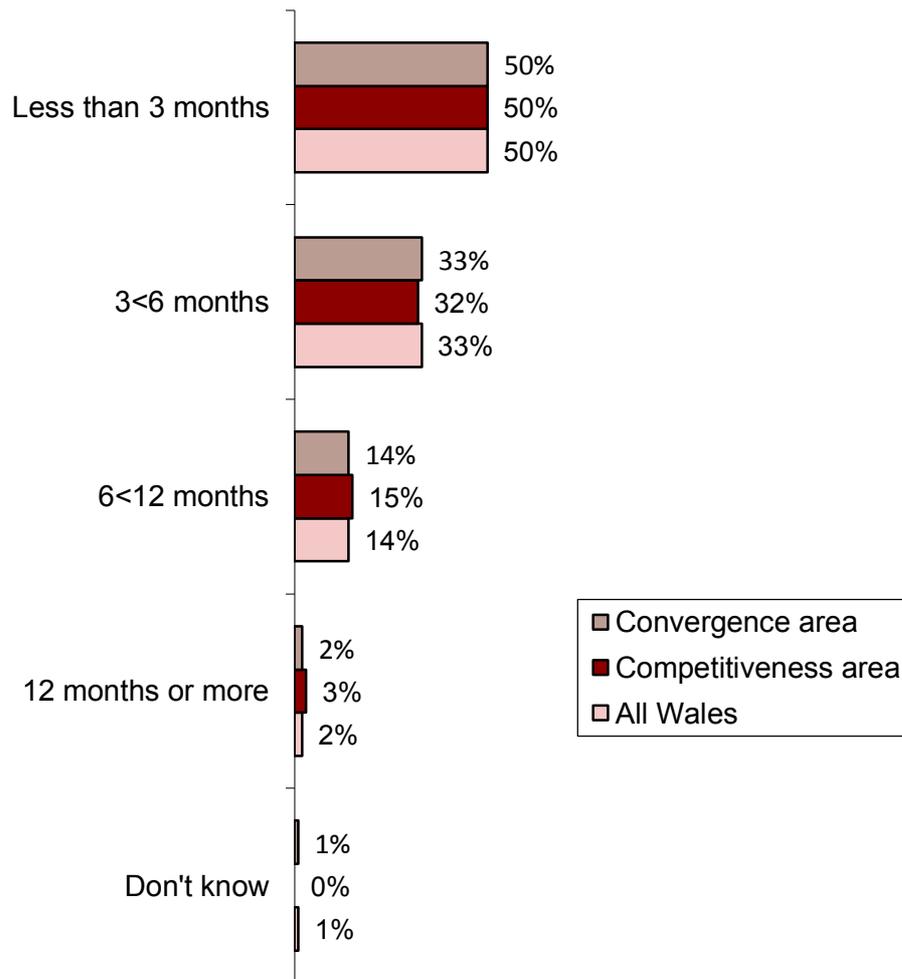
**Figure 5.7: Highest qualification level of ReAct II participants prior to ReAct II, percentages**



Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area

5.57 Those respondents who were unemployed and seeking work immediately prior to their ReAct II participation were asked how long they had been unemployed, eight out of ten had been unemployed for 6 months or less:

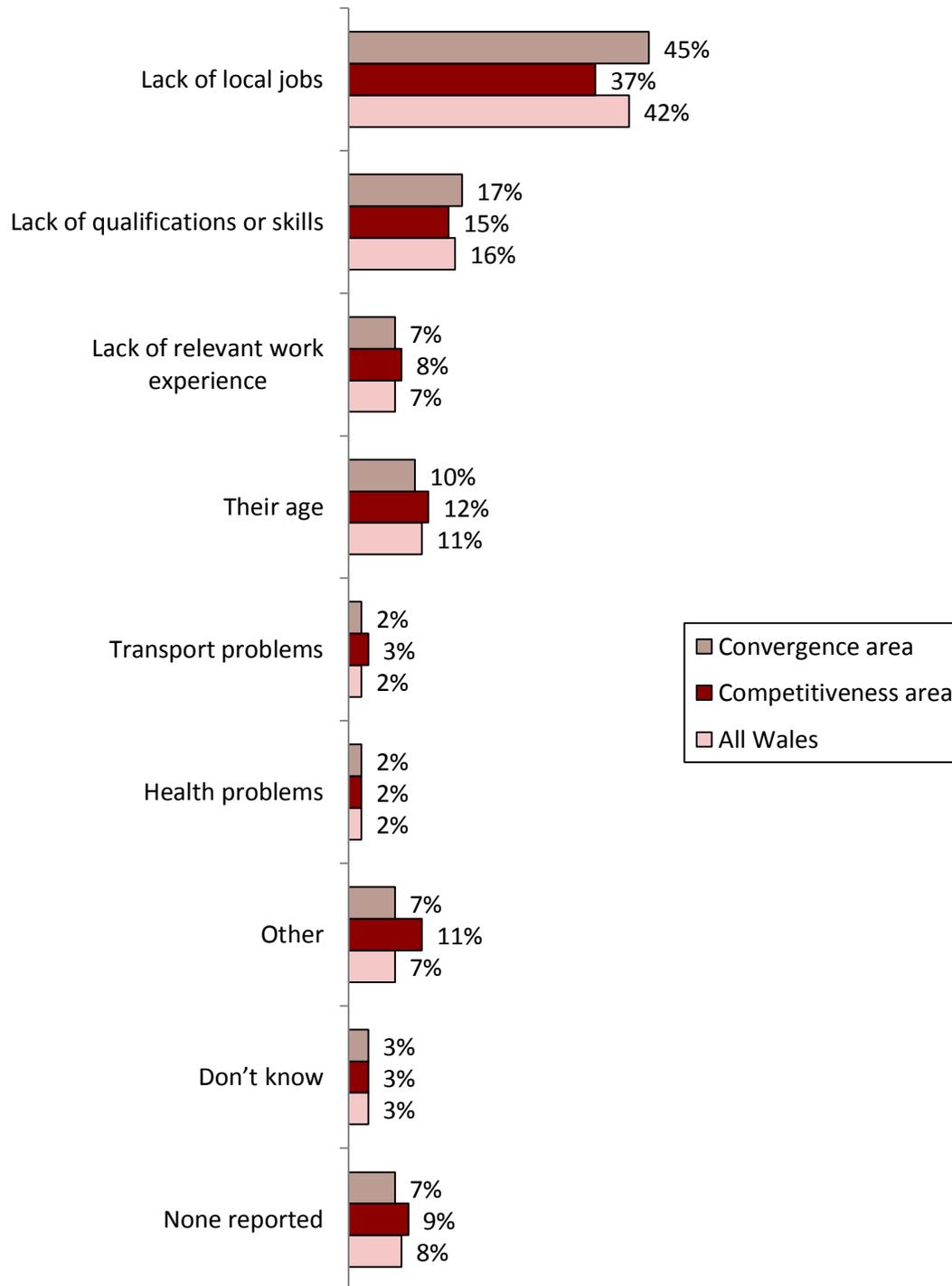
**Figure 5.8: Length of time for which those unemployed prior to ReAct II had been unemployed, percentages**



*Base: 953 participants in the Convergence area; 553 participants in the Competitiveness area*

5.58 Asked whether they had had difficulty finding work and, if so, what those difficulties were, most respondents had had identifiable problems. The main difficulties experienced by respondents are shown in Figure 5.9. It can be seen that the largest proportion of participants believed that lack of local jobs was their main difficulty. Other minorities believed that lack of qualifications, skills, or experience, or their age was their main problem:

**Figure 5.9: Main difficulty in finding work reported by those unemployed prior to ReAct II, percentages**



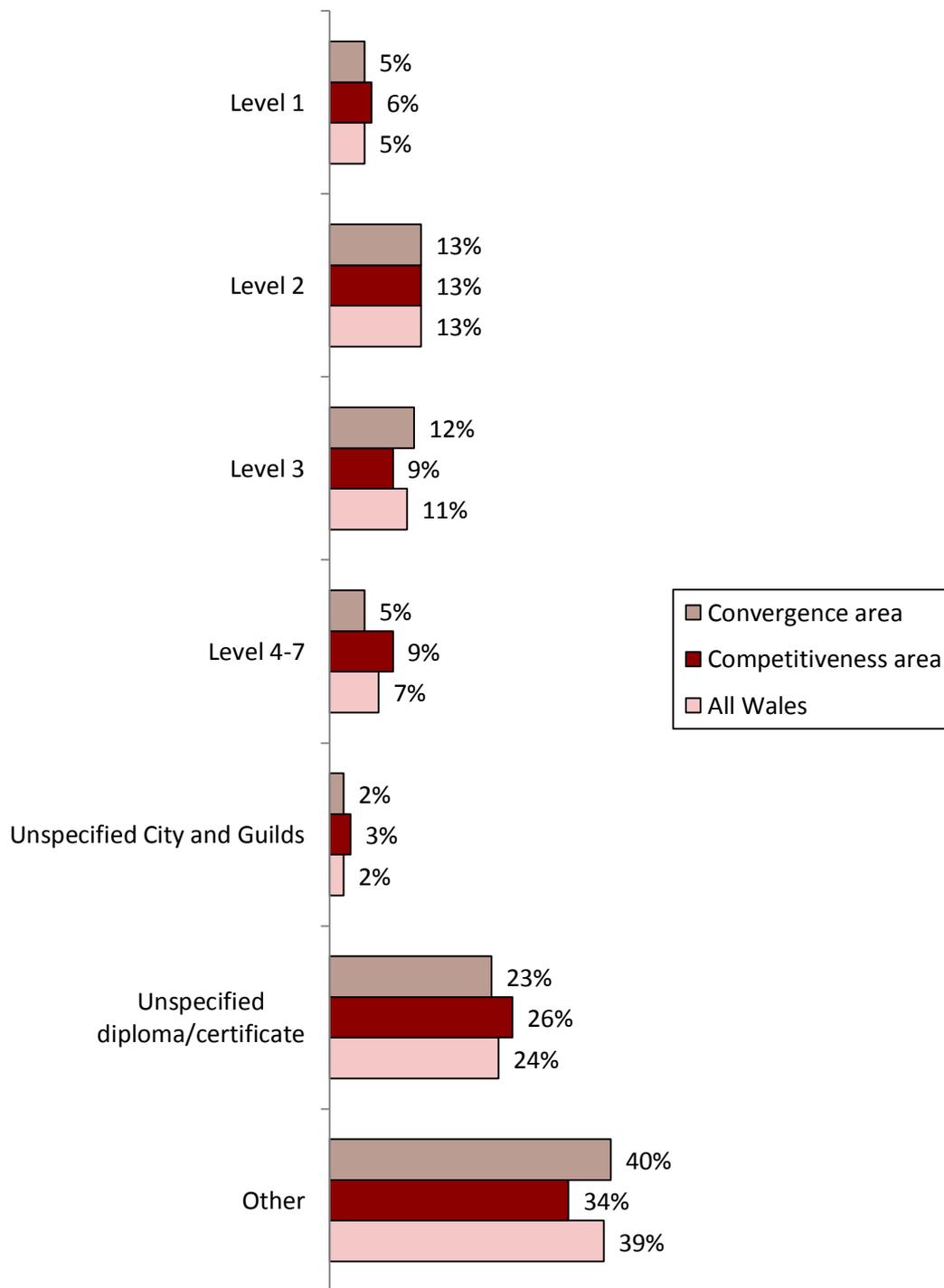
Base: 953 participants in the Convergence area; 553 participants in the Competitiveness area

Note: Other includes childcare responsibilities, over-qualified, only wanting to work part time, recession, and other reasons mentioned by 1% or fewer respondents

### *Completion of ReAct II courses and qualifications gained*

- 5.59 Almost all participants reported completing their ReAct II course – 96 per cent in both the Convergence and Competitiveness areas had done so. Where non-completion occurred, this was frequently because the participant got a job (55 per cent and 40 per cent of non-completers in the Convergence and Competitiveness areas respectively). Other reasons, each applying to 7 or fewer cases in the survey, included ill-health, personal circumstances, course cancellation, course not meeting expectations, or the course was too difficult.
- 5.60 Of those who completed, most reported obtaining a qualification – 89 per cent of participants in the Convergence area and 87 per cent in the Competitiveness area did so.
- 5.61 As proportions of all participants (not just those who completed), 85 per cent of participants in the Convergence area and 83 per cent in the Competitiveness area obtained a qualification. These statistics compare with 81 per cent (average for both areas) who were reported as having obtained a qualification in the participant survey undertaken for the 2011 interim evaluation. This comparison suggests that the likelihood of achieving a qualification rose between the earlier ReAct I phase and the ReAct II phase.
- 5.62 As Figure 5.10 shows, the majority of these qualifications were unspecified diplomas or certificates or ‘other’ qualifications rather than qualifications with a specified level within the national qualification framework but minorities did achieve the latter type, particularly at Levels 2 and 3:

**Figure 5.10: Qualifications gained from ReAct II training courses, percentages**

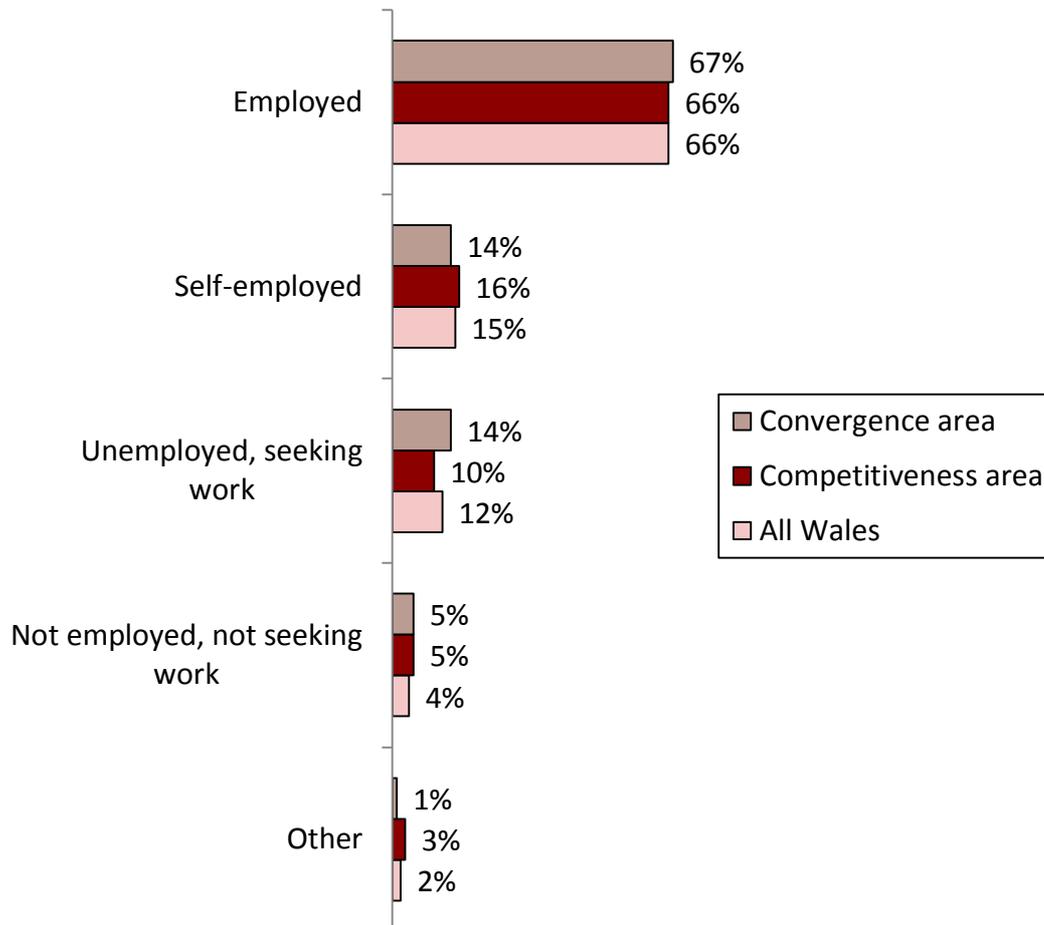


*Base: 929 participants in the Convergence area; 565 participants in the Competitiveness area*

## Participant status post-ReAct II participation

5.63 As the next figure, Figure 5.11, shows, at the time they were surveyed, 8 out of 10 ex-ReAct II participants were in paid work. Only a minority were unemployed. The figures are slightly more positive than those observed in the participant survey undertaken at the interim evaluation stage. Then, 64 per cent were in employment (67 per cent and 66 per cent in ReAct II), 13 per cent were self-employed (14 per cent and 16 per cent in ReAct II), and 22 per cent were non-employed (18 per cent and 15 per cent in ReAct II).

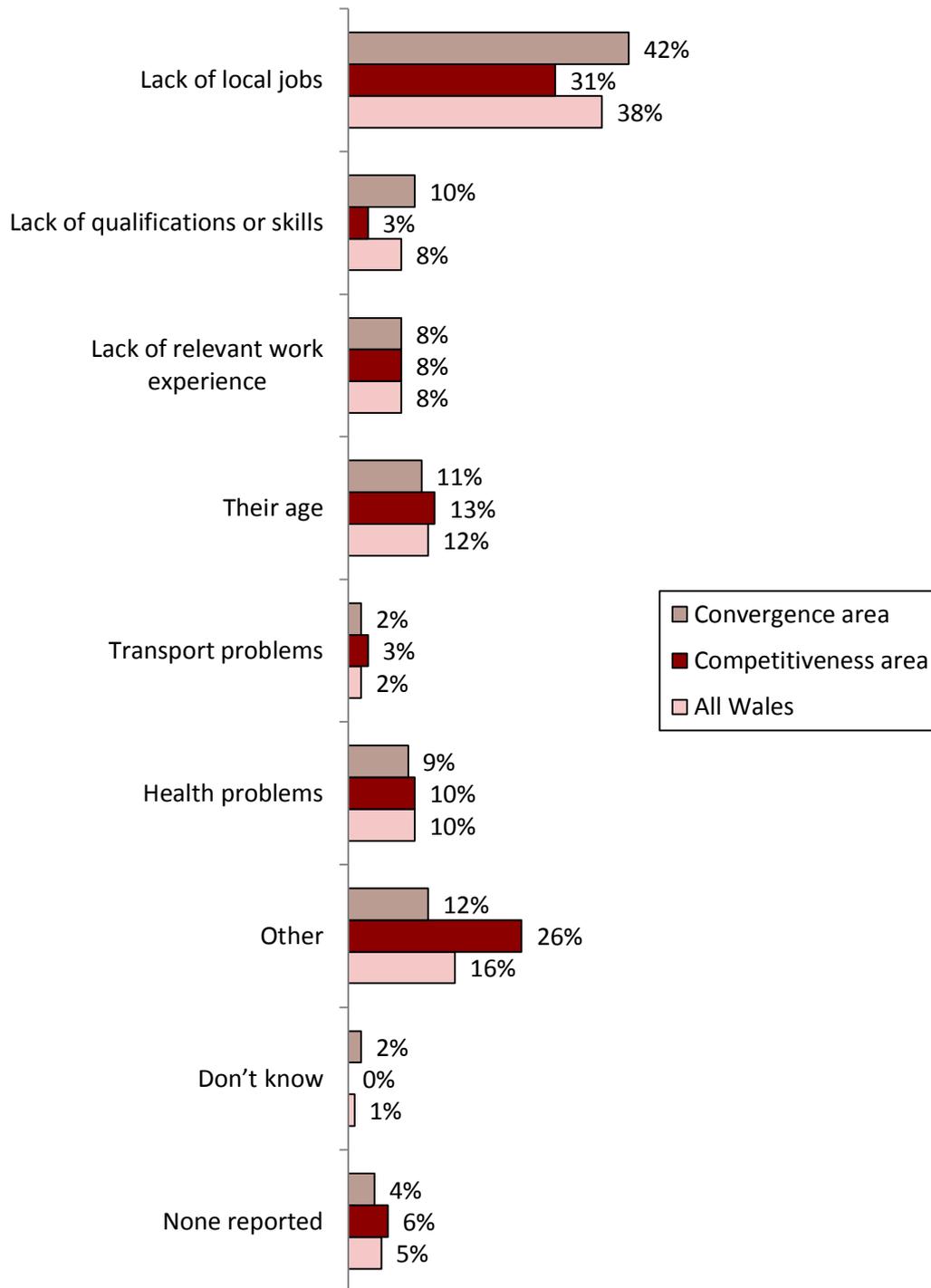
**Figure 5.11: Current employment status of ReAct II participants, percentages**



*Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area*

- 5.64 In the small proportion of cases where respondents were not looking for work, the main reasons were retirement, family care responsibilities, ill-health, and not needing or wanting work.
- 5.65 Respondents who were unemployed at the time of survey were asked to say what they thought was the main difficulty preventing their employment. Responses are shown in Figure 5.12. As with employment difficulties prior to ReAct II, lack of local jobs figured prominently but proportions reporting lack of qualifications or skills were reduced post-ReAct II (from 17 to 10 per cent in the Convergence area and from 15 to 3 per cent in the Competitiveness area).

**Figure 5.12: Main difficulty in finding work reported by those unemployed at the time of survey, percentages**



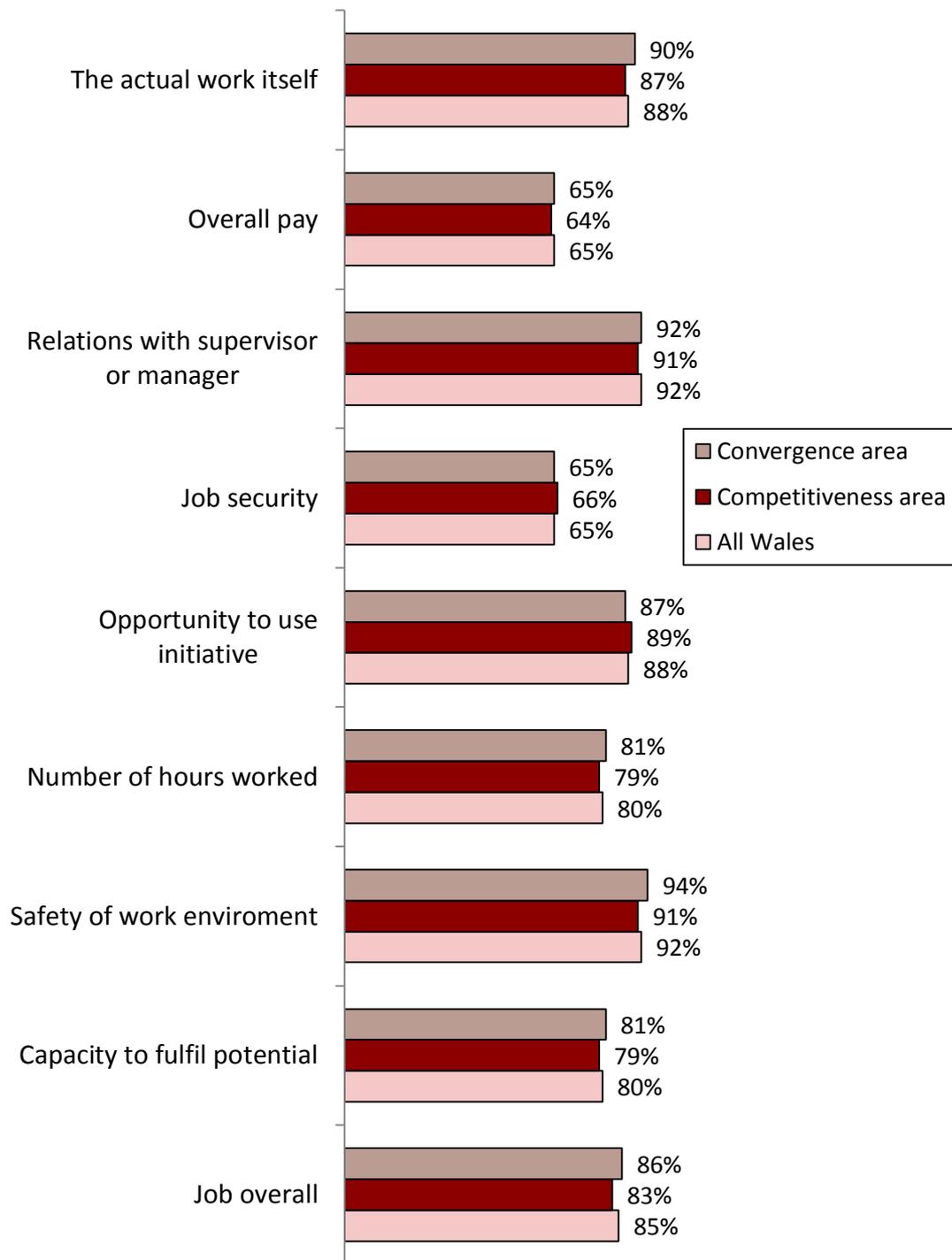
*Base: 193 participants in the Convergence area; 111 participants in the Competitiveness area*

5.66 In cases where ex-ReAct II participants were employed at the time of survey:

- most were in permanent jobs (70 per cent Convergence; 79 per cent Competitiveness). Fewer were on fixed-term contracts (13 per cent Convergence; 10 per cent Competitiveness) or in seasonal, casual, or temporary jobs (12 per cent Convergence; 9 per cent Competitiveness)
- most were in full-time jobs of 30 hours per week or more (82 per cent Convergence; 79 per cent Competitiveness) rather than in jobs with fewer hours (the remaining percentages).

5.67 Most (see Figure 5.13) were satisfied with the actual work they were doing, but fewer were satisfied with their pay or job security:

**Figure 5.13: Satisfaction of ex-ReAct II participants with different aspects of their job at the time of survey, percentages satisfied or very satisfied with each aspect**

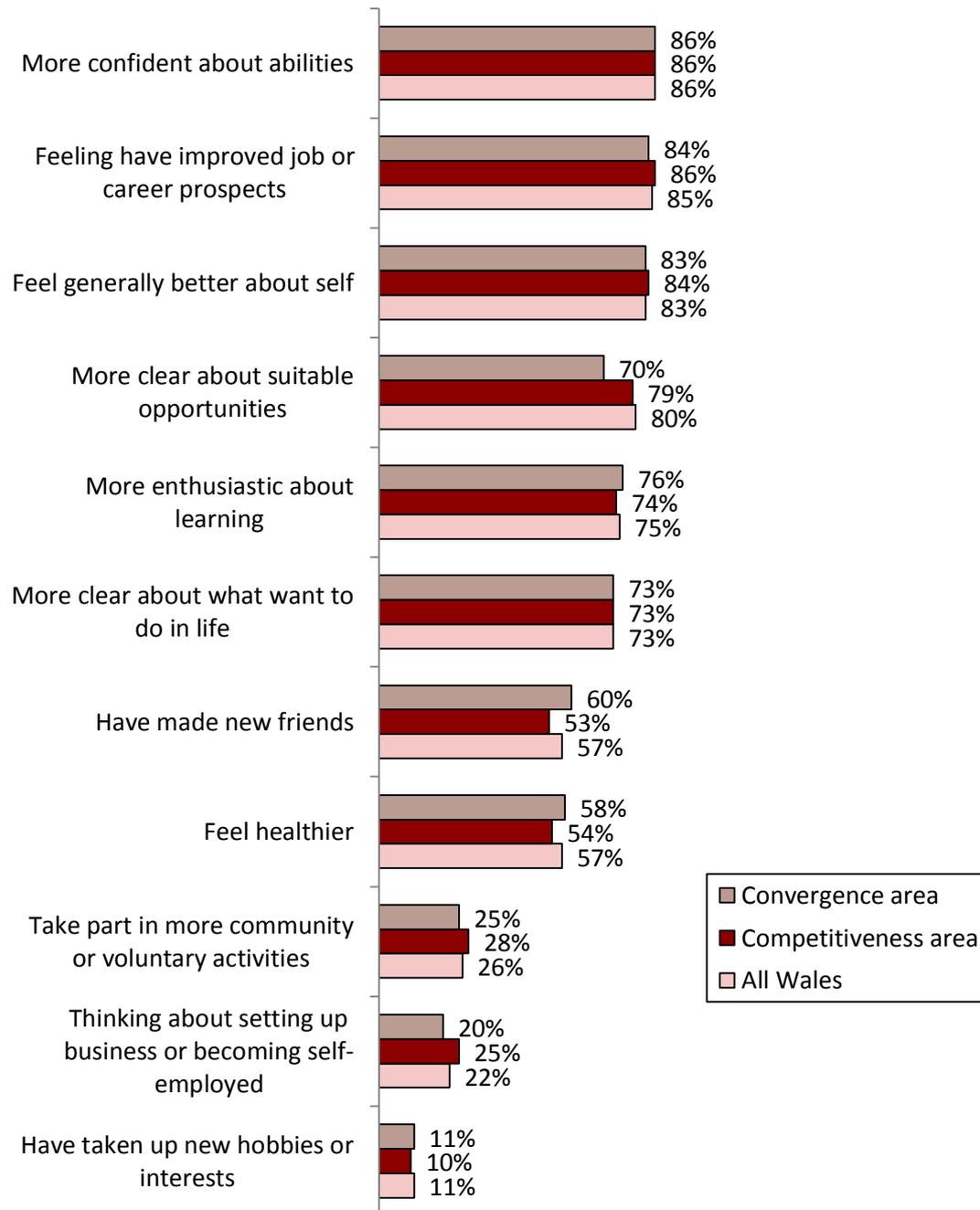


*Base: 866 participants in the Convergence area; 551 participants in the Competitiveness area*

*Benefits of participating in the ReAct II course*

5.68 Ex-ReAct II participants were asked a series of questions about the benefits of participation in their ReAct II course. Proportions reporting each of a series of benefits are shown in Figure 5.14:

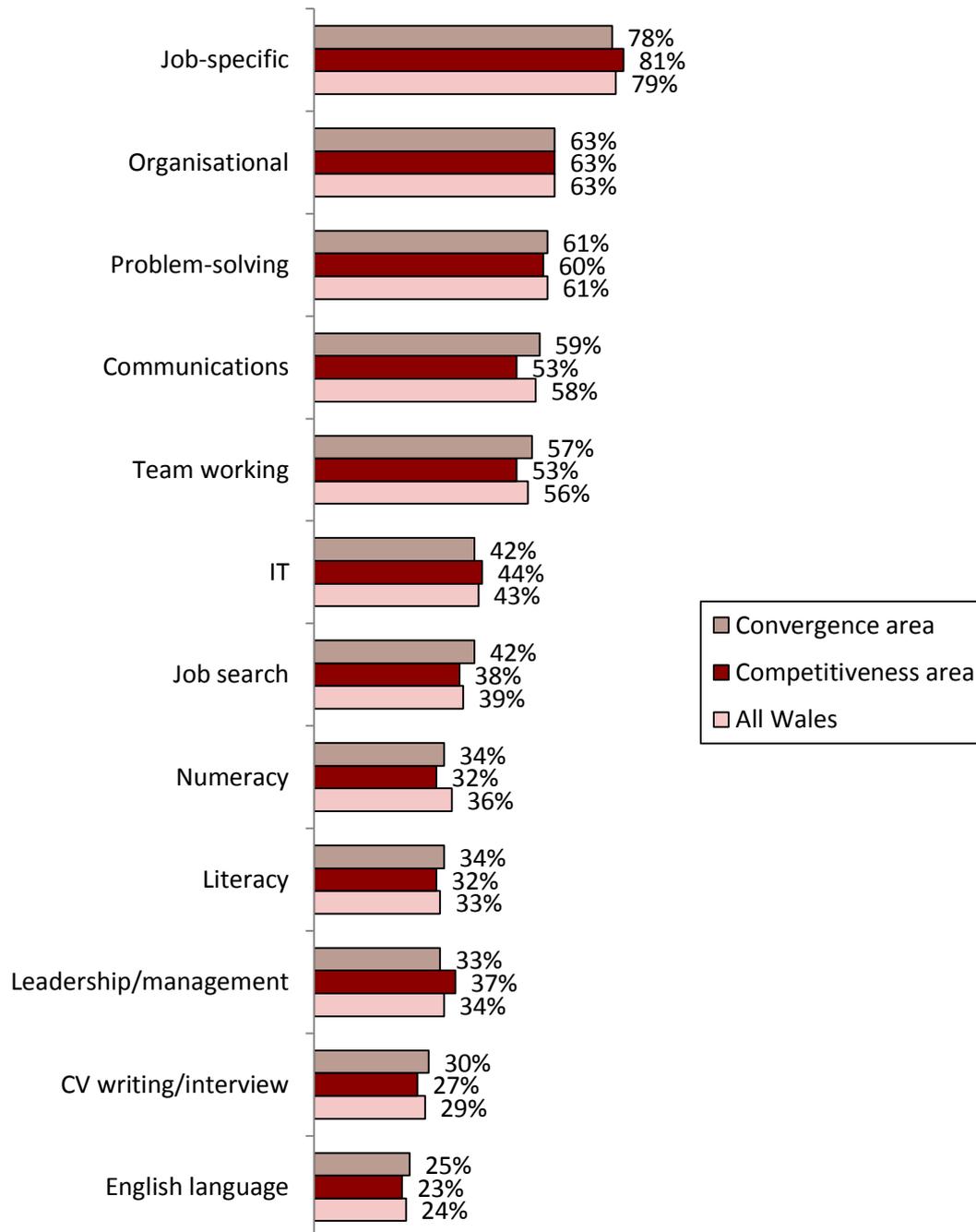
**Figure 5.14: Benefits of ReAct II course reported by participants, percentages saying got each benefit**



*Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area*

- 5.69 It can be seen from Figure 5.14 that a substantial majority of participants reported obtaining each of a series of ‘frame of mind’ or social benefits as an outcome of ReAct II participation.
- 5.70 Many participants also reported gaining or improving particular skills or areas of skill (see Figure 5.15):

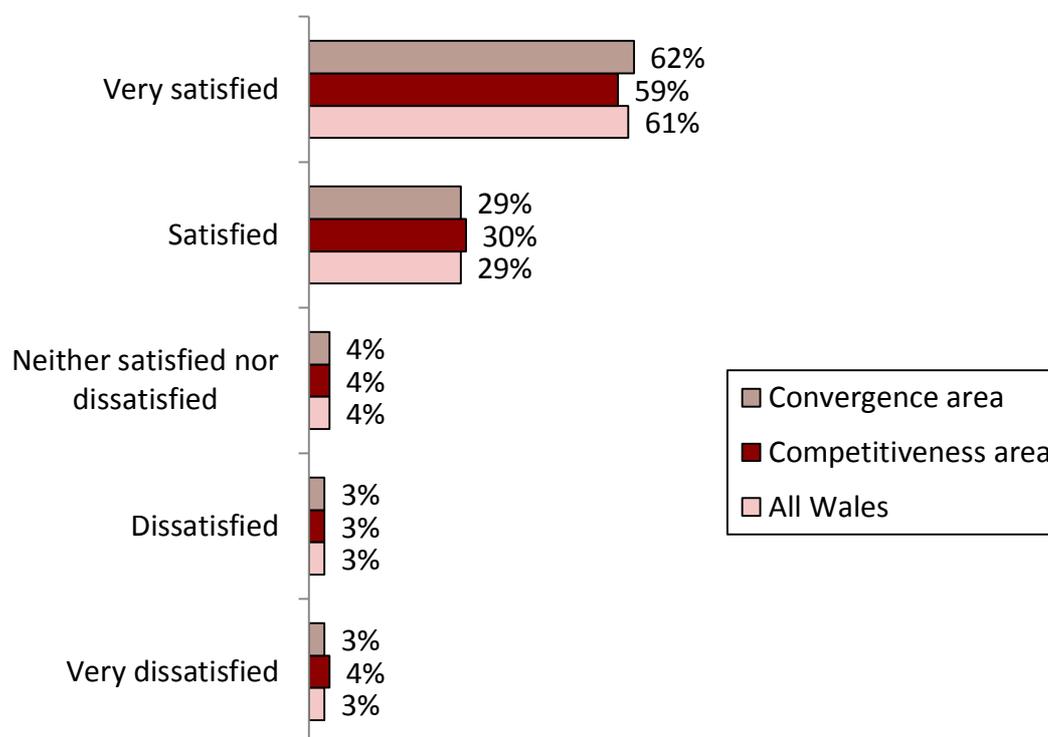
**Figure 5.15: Skills gained as a result of ReAct II participation, percentages saying got or improved each skill**



Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area

- 5.71 These acquired skills were often relevant to subsequent work situations: 67 per cent of participants in the Convergence area and 76 per cent of participants in the Competitiveness area reported that they were able to apply new or improved skills in subsequent employment (a minority of respondents not being able to do so because they did not enter employment).
- 5.72 ReAct II training was reported by a majority of participants as important to re-entry into work. In the Convergence area, 22 per cent of those employed reported that their course was vital in helping them get their current job, a further 37 per cent said that it helped, whilst 40 per cent said it was not a factor in getting the job. The corresponding proportions for participants in the Competitiveness area were 17 per cent (vital), 42 per cent (helped), and 39 per cent (not a factor).
- 5.73 For ex-participants who were unemployed at the time of survey, their ReAct II course was often regarded as helpful to their chances of finding work in future. In the Convergence area, 34 per cent of job seekers said it gave them a significantly better chance of finding work, 48 per cent said it gave them a slightly better chance, and 16 per cent said it made no difference to their chances. Corresponding proportions in the Competitiveness area were 29 per cent (significantly better chance), 51 per cent (slightly better chance), and 16 per cent (no difference).
- 5.74 A quarter of all participants (24 per cent in both the Convergence and Competitiveness areas) had undertaken further training since their ReAct II course. For a minority of these, the ReAct II course had been a vital factor in their getting into subsequent training (Convergence 17 per cent; Competitiveness 10 per cent) or some help (Convergence 27 per cent; Competitiveness 29 per cent). Majorities in both the Convergence area (55 per cent) and Competitiveness (61 per cent) said it made no difference in this respect.
- 5.75 As a general measure of ReAct II outcomes for participants, they were asked to report their overall satisfaction with the course and whether, in the same circumstances, they would repeat it. Figure 5.16 shows that the great majority of participants were satisfied:

**Figure 5.16: Overall satisfaction with ReAct II training courses, percentages**



Base: 1080 participants in the Convergence area; 671 participants in the Competitiveness area

5.76 When asked whether, with hindsight, they would do the same course, at the same place, most participants (Convergence 70 per cent; Competitiveness 74 per cent) said that they would. Fewer (Convergence 26 per cent; Competitiveness 23 per cent) said they would do a different course or do the same course at a different place. Very few (Convergence 3 per cent; Competitiveness 2 per cent) said they would not train at all.

*Summary of outcomes for participants*

5.77 Summary findings from a survey of ReAct II participants include the following.

- As context, a survey shows that the great majority of participants had been employed for most or all of their lives between ending full time education and being made redundant.

- ReAct II assisted people at a wide variety of levels of qualification, including a noticeable minority with qualifications at or above Level 4 but with relatively few having no qualifications at all.
- These two circumstances infer that ReAct II participants were often people with some attractiveness in the labour market – usually with work experience and often with intermediate or higher level qualifications prior to ReAct II participation.
- Correspondingly, only a minority of respondents saw lack of work experience, qualifications, or skills as their main obstacle to finding work prior to ReAct II training.
- The completion rate for ReAct II courses was high – 96 per cent both in Convergence and Competitiveness areas.
- Most completers reported getting a qualification. The majority of these qualifications were unspecified diplomas and certificates and other unspecified qualifications without a formal ‘level’ – this pattern reflecting participation in courses which, as Chapter 4 showed, were often short in duration.
- 8 out of 10 ReAct II participants were in work at the time of the survey.
- In the Convergence area, 14 per cent were unemployed at the time of survey (2014). In the Competitiveness area, 10 per cent were unemployed. These rates compare with the overall 2014 unemployment rate in Wales of around 7 per cent (ILO measure)<sup>9</sup>.
- Following ReAct II participation and at the time of survey, most participants who were in work were in permanent full-time jobs.
- Most of these people were satisfied with the job they were in and reported, in the great majority of cases, that their ReAct II training had given them a range of benefits and skills.
- ReAct II training was reported by a majority of those in work as having been at least of some help in getting their current job – though a substantial minority, of 4 in 10, said their ReAct II training made no difference in this respect.

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<sup>9</sup> Labour Force Survey

- For those who were currently unemployed, a majority said that their ReAct II training improved their chances of finding work in future.
- Overall, a great majority of participants were satisfied with their ReAct II training course and most, in the same situation, would repeat it.

## **Outcomes: the additionality of ReAct II**

### *Introduction*

- 5.78 As observed in previous sections of this chapter, managers and deliverers of ReAct II believe that it brought significant benefits for the employers and participants who were assisted by the programme and, in surveys, employers and participants reported substantial benefits. A further question is whether those benefits would have occurred if ReAct II had not existed and had not supplied the funding to employers and participants which it did.

### *Additionality at the interim evaluation stage*

- 5.79 As context, at the **interim evaluation** stage, evaluation of ReAct 2008-2011 made observations on the additionality of ReAct in this phase on three aspects: (1) its added value in stimulating participation in training and acquisition of qualifications; (2) its added value in promoting entry to employment of those who received an individual vocational training grant; and (3) the added value of Employer Recruitment Support in influencing recruitment decisions.
- 5.80 Summary findings in these areas included the following.
- Using a comparison of those who successfully and unsuccessfully applied for an individual vocational training grant, it was found that those applying successfully for ReAct training support were almost three times more likely to have undertaken training following redundancy than unsuccessful applicants. This provided strong evidence that ReAct I made a difference to individuals' propensity to improve their existing skills or to acquire new skills. This evidence of the programme's 'additionality' in respect of taking up training opportunities was further affirmed by the finding that some four-fifths of those receiving support said that they probably would not have done the training which they undertook without ReAct support.

- In line with participation in training, a far higher proportion of all ReAct I participants than non-ReAct participants achieved qualifications.
- There was less evidence of ReAct I's positive effects on participants' employment prospects. Whilst almost four-fifths of ReAct I participants were either in paid employment or self-employment at the time of the surveys, so were almost three-quarters of those who applied unsuccessfully for ReAct support. This suggested a significant level of deadweight in relation to employment outcomes.
- The survey of employers who had taken people on with ReAct I Employer Recruitment Support suggested that, overall, the subsidy made little difference to recruitment decisions. Employer Recruitment Support appeared to have had a greater effect upon smaller employers' decision to recruit, generally in terms of encouraging them to recruit a month or two sooner than they otherwise would have done.

*The views of ReAct II managers and delivery partners*

- 5.81 At the **final evaluation** stage, discussions with ReAct II's managers and delivery partners and the surveys of employers and participants throw light on this issue.
- 5.82 Asked about possible deadweight in ReAct II, some respondents simply believed it to be present to an unknown degree but believed that it was inescapable in employment and training subsidy programmes:
- 'I think that deadweight is unavoidable and is mostly built into the project risks.'* (Welsh Government official)
- 'I agree that employer deadweight is a potential issue but I'm not sure if there's much way around that.'* (Welsh Government official)
- 'I think there are always possible sources of deadweight in any kind of programme, certainly in employment programmes.'* (Jobcentre Plus representative)
- 5.83 Three Welsh Government officials expanded on these ideas. One recognised the presence of deadweight but believed that its scale was outweighed by the need to return individuals to work and by welfare benefit savings:

*'It does happen. It happens where employers can pick up funding where perhaps they wouldn't have needed it. However, the main focus really should be that anyone made redundant needs to get as much support as they can to get back into work. And it might be seen as dead money that's gone into the employer's finances, or dead training that's gone into an individual, but it still means that that individual's not claiming benefit. I think the overall financial benefit is more than what's been paid out, and it's something that's hard to prove anyway as to whether it's happened.'* (Welsh Government official)

- 5.84 A further official believed that there was little deadweight in training grants for individuals as they would often be unable to afford training without the grant. This official was ambivalent as to whether there was deadweight in the ReAct II wage support element:

*'I think, as far as individuals are concerned, there is not much deadweight as the types of individuals we engage would not have been able to afford training otherwise. There may be some employer deadweight as we don't ask if they are sure they need the support when engaging them. Deadweight is not captured in our data collection methods currently and I don't know how it could be. However, I'm aware of cases where an employer has taken on an individual prior to grant approval and they have subsequently been deemed ineligible – the employers in these cases have then reported they had to let the individual go as a result, so they clearly could not afford them without ReAct support.'* (Welsh Government official)

- 5.85 A Wales TUC official took the view that some, or perhaps many, redundant workers would have got jobs without ReAct II intervention – but that ReAct's additionality lay in the additional quality and sustainability of employment which the qualifications generated by ReAct II delivered.

- 5.86 A Careers Wales adviser took the view that taking people into ReAct II training after they have first tried and failed to get work provides evidence of the need for the programme:

*'A lot of people will give finding work a go first. That is sometimes why we get clients waiting until four or five months into their period, because they are quite optimistic when they get made redundant.'*

*They try and find work first. The ones we're seeing at that later stage really need it before they can move on.'* (Careers Wales adviser)

- 5.87 A second Careers Wales adviser simply observed that ReAct II gave participants the qualifications which particular job opportunities demanded:

*'All I can honestly say is that everybody I've seen, the jobs they've been looking for have asked specifically for the qualifications that they've gone to get the training for. So if they hadn't had those qualifications, then they might never have got past the first hurdle and got an interview.'* (Careers Wales adviser)

- 5.88 A final Careers Wales adviser took the willingness of some individuals to part-fund their courses as anecdotal evidence of some level of additionality in the programme:

*'I have no evidence one way or another. I can't tell you how many people might have trained anyway if they didn't have ReAct support. What I can say is that a few people have agreed to part-fund some courses. I wouldn't know whether they would have done it anyway. It's an incentive in its own right so people will see that they're being helped, it will put that training within their reach. This is only anecdotal evidence though. I would say the positives outweigh the deadweight.'* (Careers Wales adviser)

- 5.89 Most of the training providers interviewed did not think individuals would have trained anyway or achieved equivalent jobs without ReAct II. A few providers commented that the funding was particularly important to participants as it helped to remove economic barriers:

*'A lot of people just cannot manage without the funding, especially when you've been made redundant.'* (Training provider)

*'I would imagine that those people who they've helped with funding will sing the praises, otherwise without funding they wouldn't have got the training, and without the training, they wouldn't have got the jobs that they wanted.'* (Training provider)

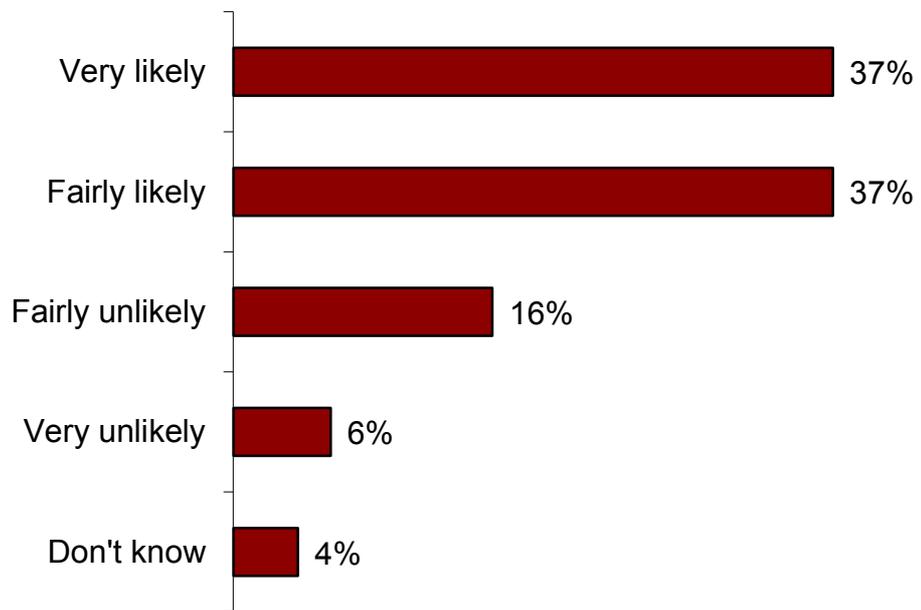
*'The sad thing is people have to be made redundant to get this funding, but I think it is a second chance for them.'* (Training provider)

- 5.90 As such, ReAct II was seen by providers as having a high level of impact on individuals and on their likelihood of finding a new job, and on employers in ensuring that their staff had appropriate skills.

*Additionality: employer survey data*

5.91 Employers in the evaluation's 2015 Employer Survey were asked a variety of questions which bear on the ReAct II additionality issue. Firstly, they were asked how likely it was that they would have taken on the individuals for whom they received Employment Recruitment Support even if they had not received that support. A substantial proportion said it was likely:

**Figure 5.17: Likelihood of recruits supported by ERS wage subsidy being recruited in the absence of ERS, percentages**



*Base: 257 employers in the 2015 Employer Survey*

5.92 The combined 74 per cent of employers who said it was very or fairly likely that they would have recruited in the absence of ERS wage subsidy is equal to the 74 per cent of employers who, in the employer survey undertaken for the 2011 interim evaluation, said they would probably have recruited even in the absence of ERS.

5.93 Employers who said it was **very or fairly likely** that they would have recruited their recruits in the absence of ERS, were asked if ERS availability had brought recruitment forward. Four out of ten (39 per cent) of these employers said that it did so (compared with 31 per cent at the interim evaluation stage).

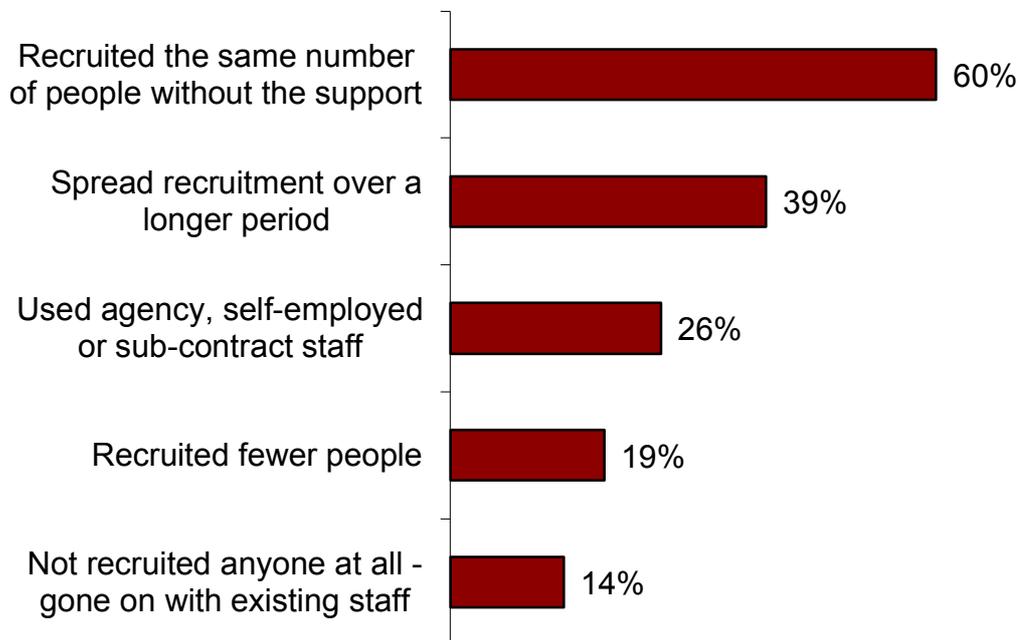
5.94 In these cases, recruitment had been brought forward by:

- less than a month in 26 per cent of cases

- 1 to 3 months in 39 per cent of cases
- 4 to 6 months in 16 per cent of cases
- more than 6 months in 14 per cent of cases.

5.95 Asked to **summarise** what they would have done if ERS had not been available, the proportions of employers reporting each of a range of possible actions are shown in Figure 5.18. Since employers could have taken more than one action, percentages add to more than 100 per cent:

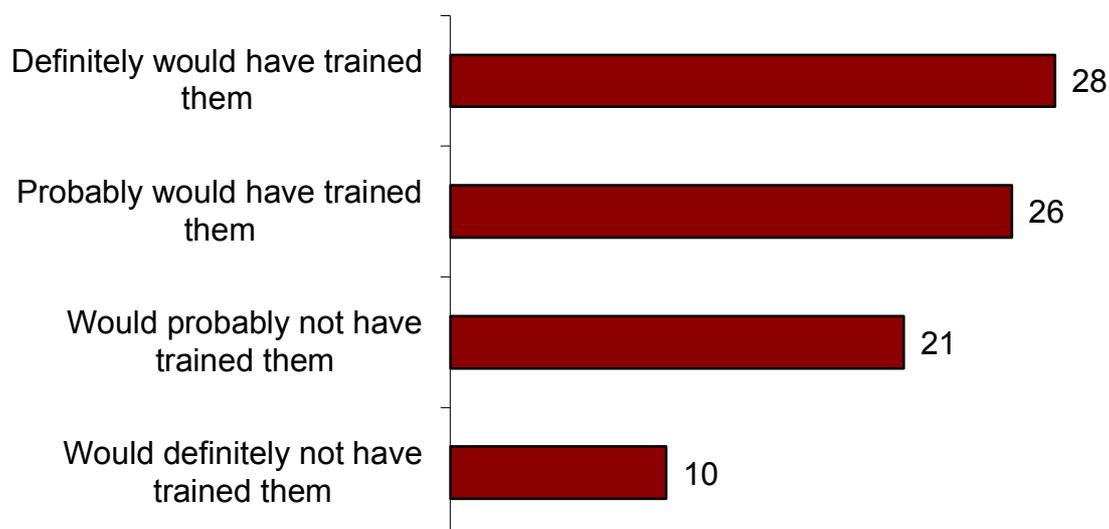
**Figure 5.18: What employers who received ERS would have done if ERS had not been available, percentages**



*Base: 257 employers in the 2015 Employer Survey*

5.96 Employers who received Employer Training Support were asked how likely it was that they would supplied the training which ETS supported to their new recruits even if ETS had not been available. A substantial proportion reported that this was probable or certain (see Figure 5.19):

**Figure 5.19: Likelihood of recruits trained with an ETS training grant being trained in the absence of ETS, numbers**



*Base: 85 employers in the 2015 Employer Survey*

*Additionality: participant survey responses*

5.97 ReAct II participants were not asked, in the 2014 ESF Leavers survey (the source of participant data for the final evaluation), what they would have done if they had not done the particular course which, with ReAct II support, they had undertaken. However, figures from the participant survey undertaken for the 2011 evaluation of ReAct I showed that only 7 per cent of participants thought it **very** likely that they would have trained without support and only 12 per cent that it was **quite** likely that they would have done so and that ReAct participants were also much more likely to acquire qualifications than a non-ReAct comparator group.

5.98 Against these positive findings showing ReAct's added value in stimulating participation in training and the acquisition of qualifications, the interim evaluation, as noted earlier, reported that the programme's added value in promoting entry to employment was modest.

*Summary: the additionality of ReAct II funding*

5.99 ReAct II's managers and delivery partners had mixed views on ReAct II's additionality:

- Some officials simply accepted that the programme had an element of deadweight.
- Other officials suggested that, even if this was the case, the ability of the programme as a whole to return redundant individuals to work and the probable welfare benefits savings from that effect outweighed the cost of any deadweight.
- Views from delivery partners included the following:
  - Many ReAct II trainees would find work in any case but the qualification supplied by ReAct II improved the quality and sustainability of employment obtained by participants over and above that of jobs which would otherwise have been taken.
  - That ReAct II had additionality was supported by the fact that there was a clear fit between the qualifications which ReAct II participants gained and the qualifications which local employers specified as being required.
  - Further, that the willingness of some ReAct II participants to part-fund their training illustrated its genuine value.

5.100 A survey of employers shows:

- a majority of employers who received Employer Recruitment Support reported that it was very or fairly likely that they would have taken on the same recruits in the absence of ERS
- four out of ten employers who were part of this majority reported, however, that the availability of ERS accelerated recruitment, most often by a period of 3 months or less
- a majority of employers who received Employer Training Support reported that they would probably or definitely have supplied the same training to recruits if ETS had not been available.

5.101 If these reports of employer and participant behaviour in the hypothetical absence of ReAct II are taken as an accurate representation of what would have happened if ReAct II had not existed, then the employer support element of ReAct II programme contains a significant element of deadweight.

5.102 No recent survey data on individual participants' likelihood of training in the absence of ReAct II vocational training support was available. However, few participants in the participant survey at the interim

evaluation stage reported that they would have trained without the financial support. Further, most managers and deliverers put forward cogent arguments in support of the view that there were, at most, infrequent cases of individual participants who would have trained without support from ReAct II. As far as can be judged from these data sources, deadweight was not a major problem in respect of ReAct II's ability to increase participation in training.

5.103 However, whilst 'training' deadweight in ReAct II's grants to individuals may be minimal, evaluation at the interim stage also showed that ReAct I participants were only a little more likely than a comparator group (redundant individuals who were not eligible for ReAct I) to enter employment. This observation may have continued to be true for ReAct II (particularly given economic recovery in the later period). If this is the case, then individual vocational training grants made by ReAct II may also have had significant deadweight in terms of employment effects. The major justification for the individual grant would then be that the employment gained as a result of ReAct II participation had greater quality and longevity than that which participants would otherwise have obtained. At least one stakeholder believed that this was the case.

### **Outcomes: impact and cost benefit analysis**

#### *Introduction*

- 5.104 In order to independently assess the impacts of ReAct II as a contribution to the economy of Wales and to public welfare budgets, three analyses were undertaken using external administrative data.
- A first analysis examined the impact of ERS/ETS on firms which received this support in terms of its effects on employment, profits and assets.
  - A second analysis examined the impact of training grants for individuals in generating employment.
  - A third analysis estimated the benefits of its programme relative to its costs.
- 5.105 The results of these analyses are summarised below. Full details of econometric techniques applied and of findings are separately available to the Welsh Government.

### *Impacts on employers*

- 5.106 In this analysis, as many firms as possible which were assisted by ReAct II were identified in the FAME database – a commercial database which contains a record of firms’ characteristics and performance indicators maintained over a period of years. A further set of firms which had not been assisted by ReAct II was also identified from the database. This second set of firms was selected (using a Propensity Score matching approach) to match the assisted firms. Matching used size, sector and legal status of firms to ensure as much similarity as possible. Following the matching process, there were 127 firms in the ‘treated’ (ReAct II-assisted) group and 616 firms in the ‘untreated’ (unassisted) group.
- 5.107 Impact on three independent variables over the 2011 to 2014 time period was then estimated for the two groups – change in the number of employees in the firm, growth in profit per employee, and growth in company assets per employee.
- 5.108 The analysis revealed that assisted firms increased their number of employees by 9 per cent more than unassisted firms but this difference is not statistically significant. There were no significant differences in respect of changes in profit-per-employee or assets-per-employee.
- 5.109 Thus, although majorities of assisted firms (as shown earlier in this chapter) reported increased capacity and efficiency as a result of participation in ReAct II, these effects were not sufficient to generate significant differences in the ‘external’ analysis summarised above.

### *Impact of training grants*

- 5.110 Data limitations meant that it was not possible to link ReAct II participants in the 2014 ESF Leavers Survey to records for them in the Labour Force Survey or Annual Population Survey – this technique for observing the subsequent progress of assisted individuals and for the generation of a comparison or counterfactual group was not available on this occasion.
- 5.111 As an alternative (and less precise) means of assessing the impact of ReAct II on employment, a wider comparison was undertaken in which ReAct II’s effects on the general employment rate were examined. It should be noted, in undertaking this analysis, that an effect on the general employment rate is *not* an objective of the ReAct

II programme and that this general effect from a relatively limited programme might be intrinsically unlikely. Essentially, this analysis was an exploratory one, such that positive findings would have been interesting but negative ones do not reflect negativity on ReAct II's impacts.

- 5.112 In this case, the hypothesis tested was that ReAct II in Wales would increase the overall employment rate in Wales at a faster pace than in two comparator areas. The comparator areas were the North East region of England – the English region which has the greatest economic and social similarity to Wales – and the English counties bordering Wales (Gloucestershire, Herefordshire, Shropshire, Cheshire West, and Chester and Wirral). Individuals entered into the analytical model were, in each case, drawn from the Annual Population Survey (APS). Information from APS was used to adjust the model for differences between the comparison groups in terms of their ages, years of work experience, and qualification levels.
- 5.113 The basic test was then whether the frequency of employment of the comparator groups was higher in Wales than in each of the other two areas – an effect which could hypothetically have been attributed to ReAct II's impact in returning people to work. In the event, no statistically significant effect was found in either case – a finding which may indicate that ReAct II's impact on employment rates is, at best, marginal but may also simply show that the size of the ReAct II intervention was insufficient to show a labour market effect on the national/regional levels at which analysis was possible.

#### *Cost Benefit Analysis*

- 5.114 A cost benefit analysis of ReAct II was also undertaken alongside the impact analysis. The basic format of this analysis included the following.
- A cost-per-qualification delivered by ReAct II was calculated by relation of programme expenditure at each level to the number of qualifications achieved in the programme at each level (this data deriving from programme management information). The direct costs increase as the level of qualification rises. An estimate of indirect costs (such as foregone earnings during training) is also added in.

- **Benefits** from achieving qualifications at levels from Basic Skills Level 1 to Level 4 and above were estimated from UK-wide Annual Population Survey data (for the October 2013-September 2014 period). The basic assumption is that achieving particular levels of qualification can be shown to generate an earnings uplift for particular periods of post-qualification employment. The periods for each level of qualification are related to statistics derived from APS analysis as to the average ages at which qualifications of people who gain different levels of qualification obtained them and, thus, the average periods over which future wage gains can accrue . The earnings benefit is discounted by 3.5 per cent per annum in respect of future earnings (in line with the Treasury’s ‘Green Book’ recommendations) to produce Net Present Values.
- The **net gain** for those completing courses and obtaining qualifications is then calculated for the average individual who obtained a particular qualification level via ReAct II by subtracting cost-per-qualification at each level from the average earnings gain per individual of obtaining the qualification.
- A further discount is then applied to the net gain to take account of **deadweight** – that is, that the qualifications would have been obtained in any case. In this case, a 60 per cent deadweight estimate is applied (this figure deriving from an estimate produced by the Department for Business Innovation and Skills of the typical deadweight in qualifications achievement).

5.115 The basic outputs of the analysis are:

**Table 5.5: Estimated returns to ReAct II qualifications**

	<b>Expected value (Present Value) of earnings return</b>	<b>Average cost of ReAct II qualification</b>	<b>Return per £ spent</b>	<b>Deadweight loss</b>	<b>Return per £ spent net of deadweight</b>
Basic skills/ Level 1	£43,443	£4,200	£10.34	60%	£6.21
Level 2	£29,219	£5,800	£5.05	60%	£3.02
Level 3	£17,363	£8,000	£2.17	60%	£1.30
Level 4+	£88,150	£16,700	£5.28	60%	£3.17

- 5.116 Thus, a cost benefit analysis related to ReAct II's delivery of qualifications suggests positive net benefits to participant earnings from participation in ReAct II at each level of qualification delivered, with particular benefits at the lower end of the spectrum.
- 5.117 Consideration of this figure needs to be cautious since the model used had imperfect data. Particularly, the model assumes that achieving a particular qualification level in ReAct II has the earnings 'uplift' effect of not having that level of qualification – that is, the participant did not have that level of qualification prior to achieving it or whatever qualifications they already possessed had lesser employment value than the qualification achieved in the programme (even if nominally at the same or higher level). This factor could substantially reduce the returns to ReAct II qualifications.
- 5.118 However, against that, the deadweight loss assumed is conservative in the sense that it may over-account for this factor. It was estimated in the interim evaluation of ReAct I that deadweight in ReAct I's ability to stimulate participation in training was around 29 per cent, lower than the conservative estimate used here.
- 5.119 The overall conclusion is that, though economic gains for assisted employers and employment impacts could not be identified (either because they are not present or because the data available for analysis did not permit sufficiently sensitive analysis), it is probable that earnings gains in future earnings of ReAct II participants will, over estimated future working lives, be greater than the costs of the programme. These earning gains will, further, produce (uncalculated) public budget gains from tax receipts and reduction in expenditure on welfare benefits which, again, are likely to exceed costs of programme delivery.

## 6. Conclusions and recommendations

- 6.1 This chapter considers findings set out in preceding chapters of the report in the light of the aims and objectives of the evaluation.

### Key points

#### *Targets and outputs*

- A fundamental point is made that original programme 'targets' were somewhat arbitrary because the numbers and demographic profile of people who would become redundant and would seek ReAct support could not be predicted in advance.
- However, if the numbers and distributions of participants which were originally approved in 2008 are considered as targets, then:
  - the programme has greatly exceeded those targets in volume terms (and was close to achieving final forecasted figures)
  - but initial expectations for the distribution of participation across socio-demographic groups were not met and this largely continued to the end of the programme
  - in financial terms, ReAct operated within its approved budget.

#### *Impact on redundant individuals*

- The evaluation observed a wide range of benefits for individuals in terms of the development of 'hard' and 'soft' skills and of their likelihood of returning to work.

#### *Impact on employers*

- The evaluation observed a wide range of benefits for employers in terms of gaining motivated skilled workers which brought benefits to the business including increases in capacity and efficiency.

#### *WEFO cross-cutting themes*

- Action by Welsh Government officials in support of Equal Opportunities and Environmental Sustainability objectives was widespread and systematic. It is probable that awareness of the importance of these matters amongst employers supported by ReAct was substantially raised. However, management records and employer survey both suggest that the proportions of employers who actually introduced policies or enhanced existing policies relating to these cross-cutting themes were low.

### *Welsh language*

- Action in support of the Welsh language appears to have been reactive to demand rather than being evidently proactive. Little demand for provision of training in or through Welsh appeared to have arisen, but where it did arise, it was met.

### *The role of Careers Wales*

- Careers Wales' guidance role was widely approved by all other partners in ReAct's delivery and most employers who had contact with Careers Wales found the organisation to be helpful.

### *Best practice*

- ReAct was found to be successful in a range of areas:
  - the programme retains a high level of support from the Welsh Government and its partners
  - partnerships involved in delivery are successful
  - the demand-led approach to training by which individuals (albeit with guidance) and employers specify the training they want is effective
  - a reduced Welsh Government management team controls programme administration and expenditure effectively
  - reduction in the level of training grant brought in 2011 has mainly increased value for money rather than reduced the quality of training.

### *Recommendations*

- There are constraints on the extent to which this evaluation is able to influence the structure and delivery of ReAct III. However, within those constraints, recommendations comprise:
  - review administrative and data procedures and protocols to seek improvement in their consistency and greater simplicity wherever possible
  - consider and implement evaluation methodologies which clearly establish ReAct III's impacts
  - continue to explore and then use flexibilities within the mode of operation to maximise the programme's ability to achieve specific objectives and to increase the programme's additionality
  - strengthen capacity to influence employer approaches to equal opportunities and environmental sustainability.

## Introduction

- 6.2 This chapter provides a discussion of results and conclusions which can be drawn from those results. The chapter is organised according to the specified objectives of the evaluation as set out at the end of Chapter 1.

## Performance against targets

To measure the effectiveness of the performance of the ReAct programme against target indicators and target spending.
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- 6.3 As discussed in Chapter 3, ReAct only had nominal 'targets'. In advance, in 2008, it could not be known how many people would become redundant in the 2008- 2014 ReAct I and II period, which socio-demographic groups they would be in, whether or not they would need and want ReAct support, and whether or not they would become aware of ReAct. The programme's Business Plans, therefore, made a first estimate of total demand which was tailored to available funding at that point and made further assumptions as to how that demand would be distributed across socio-demographic groups. As the programme proceeded, these estimates and assumptions were adjusted in order to reflect the actual scale and distribution of demand which arose and the additional funding which became available.
- 6.4 However, if the 'originally approved' numbers and distribution of support to individuals and employers are considered as constituting 'targets' then analysis of subsequent achievement shows the following.
- In volume terms, the programme greatly exceeded its original aspirations. It engaged many more participants, supported the award of many more qualifications (many at higher levels than anticipated), and engaged many more employers. It was close to achieving final forecasted figures.
  - However, expectations of the level of participation by particular socio-demographic groups were often not met and largely this continued to the end of the programme. For example, women and older workers formed significantly lower proportions of the total number of participants than were initially anticipated.

## Impact on redundant individuals

To assess the added value and impact of ReAct on redundant individuals including:

- the effect, if any, the support had on participants gaining relevant skills and subsequently entering sustainable employment
- the extent to which their expectations and requirements were met.

### *'Relevant skills'*

- 6.5 The survey of ReAct II participants (as part of the 2014 ESF Leavers Survey) shows (Figure 5.15) that participants believed they had gained a wide range of skills which are related to better performance at work. These include job-specific skills in around 80 per cent of cases and organisational, problem-solving, and communications skills in around 60 per cent of cases, as well as lesser but still substantial proportions of participants gaining a range of other skills.
- 6.6 Around 60 per cent of participants in work at the time of survey said that their ReAct II training was vital or helpful to their return to work.
- 6.7 These points are supported by training providers who reported high rates of course completion, achievement of qualifications and progression into work of their ReAct II trainees, often stressing that vocationally-specific and often short courses supported by ReAct II were effective in securing employment for their participants.
- 6.8 There were no direct reports available to this evaluation as to whether participants believed they would or would not have undertaken training without a ReAct II grant. However, proxy figures from the participant survey undertaken for the 2011 interim evaluation suggest only 7 per cent were very likely to have done so and only 12 per cent were quite likely to have done so – and even these figures, based on a question about a hypothetical situation, may exaggerate the proportions who would actually have paid for training. Government officials and delivery partners, in contact with ReAct beneficiaries in the latter case, believed that most ReAct trainees would not have paid for the training they received. It appears, therefore, that the benefits

gained from ReAct II in terms of participation in training mainly constitute 'added value'.

*'Sustainable employment'*

- 6.9 At the time of the 2014 ESF Leavers Survey, around 81 per cent of ex-participants in ReAct II were in employment (67 per cent employed and 14 per cent self-employed). A substantial level of return to work had been achieved.
- 6.10 Whether this return to work was into 'sustainable' employment is hard to measure directly. However, a number of indicators bear on this question.
- A majority of employed participants described themselves as being in permanent jobs at the time of survey (70 per cent in the Convergence area; 79 per cent in the Competitiveness area). Fewer were on fixed-term contracts (13 per cent Convergence; 10 per cent Competitiveness) or in casual or temporary jobs (12 per cent Convergence; 9 per cent Competitiveness).
  - It is estimated from survey of employers that the rate of turnover of people recruited with Employer Recruitment Support is approximately the same as that for the general workforce.
  - Where people recruited with ERS support had left their employment, 73 per cent had done so of their own volition.
  - Employers reported that most people recruited with ERS support were in reasonably responsible jobs (Figure 5.1).
  - Sixty-six per cent of ReAct II participants who were in work at the time of the 2014 ESF Leavers Survey said they were satisfied or very satisfied with their job security.
- 6.11 Without direct comparators for these survey-derived estimates, it is not possible to assert whether the picture they present, of a substantial proportion of ex-participants in work being in 'sustainable' employment, is similar to that which the same indicators applied to the wider workforce of Wales would show but, intuitively, it appears likely or, at least, that it would not vary greatly.
- 6.12 In this respect, the evaluation also shows that some ex-participants were unemployed – 14 per cent in the Convergence area and 10 per cent in the Competitiveness area – at the time of survey in 2014. These rates compare with an all-Wales rate of 7 per cent (ILO

measure, Labour Force Survey) in 2014. Allowing for variations in the profile of ReAct II participants (including the much higher proportion of male participants in ReAct II compared with the proportion of men in the workforce as a whole) and, particularly, that participants had previously been redundant, the somewhat higher rate of unemployment amongst ex-participants might be viewed positively rather than negatively.

- 6.13 Whether return into employment, sustainable or otherwise, represents *added value* was not able to be tested by participant survey data. However, at the interim evaluation stage, comparative surveys of individuals supported by ReAct I training grants and of redundant individuals not supported by the grant had only a marginally better chance of being in work at the time of the surveys (79 per cent compared with 74 per cent). If this finding were also broadly true of ReAct II – something which in more benign economic circumstances might be likely – then the added value of ReAct II’s grants to individuals in promoting employment may be limited.

*‘Expectations and requirements’*

- 6.14 The majority of participants reported attitudinal or motivational gains – they were more confident about their abilities, felt they had improved career prospects, and felt better about themselves (Figure 5.14). These gains may imply that ReAct II participants have gained attributes which will contribute to sustained employment and careers in future years and enable them to compete in fluid job markets.
- 6.15 A substantial majority of participants said they were very satisfied or satisfied with their ReAct II training course (Figure 5.16); if in employment, around 85 per cent were satisfied overall with their job (Figure 5.13); and, if unemployed, a majority said that their ReAct II training improved their chances of finding work in the future.

*Summary of impact on redundant individuals*

- 6.16 In summary, therefore:
- ReAct had substantial impacts on participants’ skill levels
  - ReAct II is likely to have had substantial added value in increasing participants’ likelihood of participating in training
  - a high proportion had subsequently gained employment

- there are indications that the level of sustainability of that employment is not dissimilar from the level of sustainability in Welsh employment generally
- evidence from the interim evaluation of ReAct in its 2008-2011 phase, if also applicable in the ReAct II phase, suggests that added value in ReAct II's ability to assist participants' return to work may be moderate
- participants' expectations and requirements were very substantially met.

### Impact on employers

To assess the added value and impact of ReAct on employers, including:

- to what extent the training delivered under ReAct has met employers' expectations and requirements
- to what extent ReAct has contributed to employers taking on redundant individuals and sustaining employment beyond ReAct funding.

### *'Expectations and requirements'*

#### 6.17 Administratively:

- the great majority of employers found each of the ReAct II management team, Jobcentre Plus, and Careers Wales to be helpful
- almost all found ERS easy to apply for
- most applications for ERS and ETS were processed quickly and the period between grant application and approval caused problems only for small minorities in each case.

6.18 Substantial majorities of employers (of around 60 per cent) reported that ERS provided them with the skills they needed and with workers with a good work ethic. A larger majority, 84 per cent, reported assistance with workers' wages as a significant benefit.

6.19 Workers recruited with ERS support were most often playing responsible roles in their businesses (Figure 5.1).

- 6.20 ETS funded a wide variety of job-related training (Figure 5.2) and 66 per cent of employers supplied training to ERS-supported recruits beyond that which was part-funded by ETS.
- 6.21 A majority of employers (71 per cent) reported that ETS support made them more positive about training and 78 per cent of these said they would be more likely to invest in training in the future as a result of involvement with ReAct II.
- 6.22 Employers frequently reported business benefits from participation in ReAct II. For example, 71 per cent reported increased efficiency, 73 per cent reported increased capacity, and 56 per cent reported increased innovation in the business.
- 6.23 Overall, 95 per cent would be very likely (74 per cent) or quite likely (21 per cent) to recommend ERS to other employers.
- 6.24 The most frequent critique of the programme expressed by the ten employers interviewed in depth (see Annex A) was simply that wider awareness of the programme amongst employers should be stimulated.
- 6.25 Essentially, ReAct met employers' expectations and requirements.

*'Recruitment of redundant workers and the sustainability of employment'*

- 6.26 The extent to which ReAct II has contributed to employers taking on redundant individuals is estimated from management information adjusted by employer survey data. This shows that 641 employers in the Convergence area and 380 employers in the Competitiveness area were assisted by ReAct II. Employer survey data suggests that 85 per cent of these were assisted by ERS and that the average number of recruits taken on with ERS was 1.8 recruits. Using these figures, it can be estimated that ReAct II has supported the recruitment of 1,560 workers in the Convergence area and 580 workers in the Competitiveness area, a total of around 1,560 workers.
- 6.27 As noted in the discussion above (on the sustainability of employment of ReAct II individuals in general) it seems probable that the sustainability of these jobs is broadly similar to that of jobs in Wales generally.

6.28 Thus, in summary:

- ReAct has largely met employer expectations and requirements. This would be expected given that there is little downside to being given a subsidy to pay the wages and part-fund the training of recruits
- ReAct II has contributed to the recruitment of an estimated 1,560 workers and the employment of those workers appears to have a reasonable level of sustainability.

*'Added value'*

6.29 However, the extent to which these benefits constitute substantial 'added value' is to some extent challenged by the following.

- Employer survey responses such that 74 per cent reported that it was very likely (37 per cent) or quite likely (37 per cent) that they would have taken on their recruits without ERS subsidy.
- Employer survey responses such that 64 per cent said that it was definite (33 per cent) or probable (31 per cent) that they would have supplied the training part-funded by ETS even in the absence of ETS.
- Employers who, in depth discussions (see Annex A), often said that ERS was something they only became aware of when they were already looking to recruit (sometimes this awareness stemming from job applicants). Only a small number of employers interviewed in depth said directly that they would not have recruited or would have recruited fewer people without ERS support.
- Recognition by government officials and delivery partners of deadweight in the ERS element of the programme (whilst believing that this was outweighed by the value of the portion of recruitment which would not have taken place *without* ERS).
- Findings at the interim evaluation stage which also suggested that ERS may have a significant element of deadweight.

6.30 Overall, thus, a judgement is required as to whether the gross benefits of support to employers – very substantial as reported above – are sufficient to outweigh the probable fact that a proportion of these benefits, in the form of recruitment and training of the same workers hired and trained with ERS/ETS support, would have occurred without subsidy.

## WEFO cross-cutting themes

To assess the effectiveness of measures implemented to achieve targets with regards to the Welsh European Funding Office's (WEFO's) cross-cutting themes.

### *Equal opportunities*

- 6.31 The WEFO targets were essentially designed to ensure that ReAct was open to all applicants irrespective of gender, caring responsibility, disability or work-limiting health condition, age, or ethnic origin, or migrant status. To achieve this, targets were set for participation by different social groups. As noted in Chapter 3, these targets were somewhat arbitrary since it could not be known in advance of the ReAct funding period how many people in the different social groups would become redundant and would be eligible for ReAct II support.
- 6.32 However, as noted above, in proportional terms, participation by some demographic groups was well below initial expectations at the beginning of the ReAct programme in 2008.
- 6.33 In addition, ReAct aimed to encourage employers to develop or install equal opportunities policies by offering advice, materials, and signposting.
- 6.34 **Management records** estimate that 68 per cent of employers were engaged to some degree in activity to improve equal opportunities policies in assisted firms – at least receiving information on this. However, these records also suggest that only 5 per cent actually enhanced their existing policies or introduced an equal opportunities policy for the first time. **Employer survey** evidence showed that only 28 per cent of employers recalled receiving this advice, materials, or signposting and that this had resulted in a change of practice for only 11 per cent of those (9 out of 85 cases in the survey). Thus, overall, only 3 per cent of surveyed ReAct II employers had changed their equal opportunities practices as a consequence of their participation.

### *Environmental sustainability*

- 6.35 The main thrust of ReAct's objectives to promote environmental sustainability was that ReAct employers should be encouraged, by a range of advice, materials, or signposting, to develop or install environmental sustainability policies.

- 6.36 Welsh Government officials reported that a process to support this objective was in place, with support focussed on businesses which did not have policies already in place. Where support was offered, it involved the provision of guidance packs and signposting to sources of support. Monitoring processes observed any changes introduced. However, two officials expressed some scepticism about the effects of this work, one remarking that it *'did not seem to have much impact as large employers tend to already have the accreditations they needed and smaller employers did not feel they had the time to do these things'*, and another observing that since there were no physical inspections, whether employers actually took action was difficult to assess.
- 6.37 **Management records** estimate that 66 per cent of employers were engaged to some degree in activity to improve environmental sustainability policies in assisted firms – at least receiving information on this. However, these records also suggest that only 4 per cent actually enhanced their existing policies or introduced an environmental sustainability policy for the first time.
- 6.38 From the employer point of view, in the **employer survey**, only 15 per cent recalled receiving advice, materials, or signposting and, of these, only 17 per cent, 8 out of 46 cases, had actually changed their practices. Thus, overall, only 3 per cent of surveyed ReAct II employers had changed their environmental sustainability practices as a result of participation in ReAct II.

*Cross-cutting themes: summary*

- 6.39 Measures to implement WEFO targets relating to the cross-cutting themes were of limited effectiveness in securing target numbers of participants from particular socio-economic groups (although, as noted earlier in Chapter 3, this reflects the pattern of demand for ReAct not a failure of equality of access in the programme).
- 6.40 Substantial activity was undertaken to encourage firms to improve existing or introduced equal opportunities or environmental sustainability policies. However, possibly because some or many firms already had (or believed they had) adequate policies, the proportions which actually did improve or introduced policies were small.

## Increasing Welsh language skills in the workforce

To explore whether and to what extent activities delivered under ReAct have contributed to (and are compatible with) the wider WG policy objectives to increase Welsh language skills amongst the workforce. This should include the following.

- Measuring whether, how and how effectively Careers Wales have identified requirements for and advised on: a) training delivered through the medium of Welsh, and b) Welsh language skills training.
- Exploring the extent to which participants/employers were able to access training delivered through the medium of Welsh or Welsh language skills training, when this was required.
- Measuring how and how effectively training providers have delivered Welsh language skills training or training through the medium of Welsh, when this was required.

- 6.41 Only one employer (out of 304 employers in the evaluation's Employer Survey) reported that Careers Wales was involved in advising on training in, or through, the medium of Welsh. This employer reported that Careers Wales was very effective in that role.
- 6.42 Only five employers in the survey reported that their ReAct II recruits or trainees would have benefitted from training for Welsh language skills. Only two employers reported that they required other training delivered through the medium of Welsh. In six out of these seven cases, it was reported that the necessary training had been supplied.
- 6.43 These figures suggest that Welsh language support was available where, infrequently, it was required. However, discussions with Welsh Government officials and training providers suggest that support was very much demand-led – responsive to Welsh language needs expressed by employers or individual participants but not particularly pro-active in promoting opportunities to learn Welsh or to learn in Welsh. As such, it seems probable that ReAct was able to protect the interests of those wanting or needing training in or through Welsh but was not likely to have greatly 'increased Welsh language skills amongst the workforce'.

## Careers Wales

To assess how effectively delivery partners (i.e. Careers Wales) assessed training needs and provided advice for suitable training courses to lead to a successful up-skilling of the participant;

To review the overall development, management and implementation of the programme and changes made to the programme since the mid-term evaluation to:

- highlight areas of good practice
- highlight areas that require improvement and further development
- develop recommendations to inform the policy design for the next round of funding (2014-2020).

6.44 The interim evaluation found that: *'individuals generally found the Adult Guidance service provided by Careers Wales to be helpful'*. Individual participants' views of Careers Wales' contribution to identification of their training needs, sourcing of appropriate training, and completion of application forms could not be identified at the final evaluation stage (since no direct survey of participants was undertaken).

6.45 At the final evaluation stage:

- nine out of 10 employers who had had contact with Careers Wales found the organisation to be helpful
- Welsh Government officials and other delivery partners continued to believe (as at the interim evaluation stage) that Careers Wales provided an effective service in guiding participants in the right direction and Careers Wales continued to be a highly valued partner in the programme
- as noted above, the majority of participants reported (in the 2014 ESF Leavers Survey at the final evaluation stage) that they had improved on each of a range of skills and that they were in employment at the time of survey.

6.46 Overall, evaluation evidence found that Careers Wales provided a critical service. It did this by ensuring that as many participants as possible undertook training which was appropriate to their abilities

and needs and which was relevant to current labour markets in Wales.

### **Good practice**

6.47 As a later phase of a programme which had been established, albeit with variations, for several years, ReAct II had a heritage of good practice. This included the following.

- **Retention of a high level of support** – political, managerial, and from external organisations such as the Welsh Trades Unions. The programme continues to sit comfortably with Welsh Government policies to support the economy by the generation of skills and to support society by addressing potential unemployment and disadvantage. Similarly, it conforms readily with European funding priorities, to increase employment and tackle economic inactivity, which apply in both Convergence and Competitiveness areas of Wales.
- **Effective working arrangements between partners** which brings alerts to major redundancy situations and co-ordinates resources to respond to those.
- **A demand-led approach to training** (albeit that demand being guided by Careers Wales and constrained, in most cases, within a funding limit) which allow individuals to seek to develop their careers in ways which fit with their aspirations – results being that participants in training, both in their own accounts and in those of training providers, are enthusiastic and committed and that completion rates are very high. The programme is able to assist a wide range of redundant individuals, from those with no qualifications to those having qualifications at graduate level and above.
- **A Welsh Government management team for ReAct** which, though smaller in size than previous years, largely manages the programme and its administration effectively (both in the views of other partners and of employers – who, in the latter case, reported in 96 per cent of cases that the team was helpful and in 94 per cent of cases that ERS grant support was approved sufficiently quickly as to not cause them any significant difficulty).
- **A level of training grant for individual participants** which, adjusted downwards in ReAct II to £1,500, is reported to offer better

value for money than hitherto – as training providers, keen to continue to benefit from the ReAct income stream, in many cases adjusted their course fees to fit the reduced level of financial support available to participants.

- 6.48 ReAct, therefore, was widely successful in what it sought to do – to support redundant workers and give them suitable training in skills related to economic demand for skills; and to subsidise employers to recruit redundant workers, give them further training, and retain them in sustainable work.

### **Improvement and further development: recommendations**

#### *Restricted scope for programme adjustment: interim evaluation recommendations and Welsh Government responses*

- 6.49 The extent to which this evaluation can be used to adjust the delivery of the programme beyond the end of the ReAct II phase is limited.
- 6.50 A first factor is that recommendations made in the interim evaluation of ReAct I have been responded to by the Welsh Government, or, in some cases, proved not to be operable or were rejected by programme designers and managers.
- **Recommendation 1** in the interim evaluation of ReAct I was that an **on-line application and tracking system**, replacing the current paper-based system, might be introduced to assist the operation of the programme. Following a feasibility study, it was determined that data sensitivity and data protection issues and the structural funding requirement for hard copy evidence of participant eligibility precluded this recommendation being taken forward.
  - **Recommendation 2** was that a **system for monitoring participants' qualifications and labour market status** should be introduced to improve targeting of ReAct support. Subsequently, the Department for Education and Skills (DfES) has worked with Welsh Government colleagues and the Data Protection Team from an early stage in the development of ReAct III (the successor to ReAct II) to ensure participant consent is in place to enable linkage to other government records and to enable re-contact of participants in order to better understand their development and changes in their labour market status.

- **Recommendation 3** was that:

*'The Welsh Government should work with Jobcentre Plus to explore how JSA rules might be changed to allow ReAct-eligible claimants to undertake more intensive training in order to ensure the more rapid acquisition of vocational skills and qualifications.'*

Programme managers suggest that changes related to the Work Programme are likely to result in movement in this direction.

- **Recommendation 4** was that:

*'As a means of managing ReAct within budget and increasing the level of additionality attached to the programme, consideration should be given to restricting eligibility for VTS/VTES to certain groups of redundant workers. Those which our study has shown have the poorest labour market prospects should be prioritised:*

- *Young people (aged 16-24)*
- *Individuals with no or only low level qualifications*
- *Those in elementary occupations*

*In parallel, consideration should be given to increasing the value of VTS funding available to individuals falling into these categories to enable them to gain the skills and qualifications needed to secure and maintain work.'*

Programme managers note that *'Welsh Government education and skill programmes are strategically developed to align with WEFO priorities and complement each other. The eligibility criteria have changed for ReAct III and have been defined with consideration to other support programmes. For instance, there is a focus on over-24 year olds because young people are being targeted and supported by other programmes.'*

- **Recommendation 5** was that:

*'In order to reduce the level of deadweight attached to the programme, consideration should be given to reducing the value of the ERS element of ReAct. At the same time, consideration should be given to:*

- *Restricting eligibility to ERS to smaller businesses (employing fewer than 10 people), whose recruitment decisions are more likely to be influenced by the offer of ReAct support.*

- *Making the ERS conditional upon employers putting in place a ‘training and evaluation plan’ for each new recruit supported by ReAct.’*

Programme managers did not concur with this recommendation but, rather, observe that *‘part of the success of the ReAct programme is a result of its flexibility and that it is open to all eligible employers and not restricted to target groups. This acknowledged success has been maintained.’*

- 6.51 In essence, thus, some adjustments to ReAct’s design and procedures have already been made or have been precluded, somewhat limiting the scope for recommendations consequent on this ReAct evaluation which might otherwise have been considered.

*Restricted scope for programme adjustment: ReAct III in operation*

- 6.52 A second constraint on the scope for recommendations deriving from this ReAct evaluation is that ReAct III is already up and running within a framework set by the Business Plan for ReAct III<sup>10</sup>. This plan sets out a highly detailed template for the design, operation, and funding of ReAct II’s successor programme for 3 years from April 2015 onwards [and introduces only moderate changes between ReAct II and ReAct III design (for example, reducing the eligibility period for individual training support from 6 to 3 months post-redundancy in order to encourage quicker transfer into renewed employment; and, to comply with ESF regulations, in the Convergence area, restricting eligibility only to those aged 25 and over)].

- 6.53 In this circumstance, of a smooth transition from a second to third phase of ReAct within an accepted and broadly unchanged framework of programme design, eligibilities, partnerships, and procedures, the scope for any substantial revision is restricted.

*Restricted scope for programme adjustment: political and managerial support for ReAct*

- 6.54 This observation is reinforced by the fact that ReAct is viewed as highly successful by, and has strong support from, the Welsh Government at political and managerial level (the first source of

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<sup>10</sup> Business Plan, ReAct 3, Welsh European Funding Office, 26<sup>th</sup> February 2015

support being clear from Ministerial announcements<sup>11</sup> and the latter source of support being observed in this evaluation). Essentially, ReAct has become an established element of the public policy response to economic and social challenges in Wales and, as such, with current approval for a further 3 years of funding, may be unlikely to be subject to any fundamental change of approach.

- 6.55 In this context, recommendations here are largely limited to procedural matters within the ReAct III framework.

*Recommendation 1: Review of ReAct III administrative procedures*

- 6.56 A first recommendation concerns ReAct III paperwork. The paperwork requirements of the ReAct 2008-2014 phase of the programme, largely driven by European Union requirements for strong evidence of compliance with funding regulations, were widely recognised by managers as being complex. The direction of travel in this respect has been towards further complexity. Programme managers report that the data requirements of ReAct III are *more* onerous than at the ReAct II stage (for example, introducing more minimum data requirements at the sign-up stage for proof of eligibility and then, subsequently, for proof of outcomes).
- 6.57 There are evidently constraints on administrative simplification deriving from the EU funding of ReAct, but, given the level of burden arising from the current ReAct paperwork system and that some months' experience within the ReAct III framework has been gained, **a review of systems should be undertaken with a view to identifying opportunities to make systems simpler and more consistent.**

*Recommendation 2: Improving measurement of ReAct III's impacts*

- 6.58 As noted above, ReAct has strong political and managerial support. ReAct III's Business Plan observes (page 69) that 'past evaluations have highlighted that generally deadweight is not a key issue for ReAct'. These observations suggest that ReAct's impacts are assured

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<sup>11</sup> For example, Welsh Government Finance Minister, March 1<sup>st</sup> 2015: 'I'm delighted that EU funds will support the next phase of the highly successful ReAct programme, ensuring that people will receive maximum support to develop their skills and re-enter employment as quickly as possible.'

– essentially, it is believed that ReAct’s skills and employment outcomes are largely ones which would not have occurred in the absence of the programme.

6.59 However, this perspective may be somewhat optimistic. As noted earlier in Chapter 5:

- over 70 per cent of employers reported in both the interim and this final evaluation that they would have recruited even in the absence of Employer Recruitment Support
- over 50 per cent of employers said, in this evaluation, that they would at least probably have trained the staff they trained with ETS even in the absence of this funding
- the interim evaluation of ReAct I observed that the post-ReAct employment rate of participants was only marginally greater than that of a comparison group of redundant people who were refused ReAct support
- an impact analysis could not detect any significant gain in business growth indicators between a sample of firms assisted by ERS and a comparable control sample of Welsh businesses.

6.60 There are more positive findings on ReAct’s additionality to set against the findings above.

- Interim evaluation showed that ReAct participants were much more likely to train and to achieve qualifications post-redundancy than the comparison group of redundant people refused ReAct support.
- Cost Benefit Analysis undertaken for this evaluation estimates long-term earnings gains for participants from gaining qualifications from the ReAct II programme.
- Some programme managers and partners believe that, even if ReAct participants did not re-enter employment at a much greater rate than redundant non-participants, the quality and sustainability of their employment, based on updated skills and qualifications was likely to be greater.

6.61 While evaluation has shown undoubted benefits for employers and individual participants, there is, therefore, ambiguity rather than certainty as to ReAct’s impacts – the degree to which those benefits are net of positive outcomes which would have occurred in the counterfactual circumstance of ReAct not being in operation.

- 6.62 The Business Plan for ReAct III reports (page 56) that research shows that *'Today, the average person changes jobs ten to fifteen times (with an average of 11 job changes) during his or her career'*. Given this fluidity (which may increase if the Welsh economy continues to improve), it could be that ReAct improves the skills, qualifications, job search capability, and motivation which are necessary to cope with such change. On the other hand, it could be that assisting some individuals to make just one job transition is relatively unimportant given such general frequency of job change in the economy.
- 6.63 Thus, continuing to improve measurement of ReAct's impacts through the evaluation programme applied to ReAct III will (as recognised in ReAct III's Business Plan, pages 86-89) be important to decisions taken in two or three years' time as to the continuing need for a further renewal of the programme beyond ReAct III's funding period.
- 6.64 The recommendation here, therefore, is that **the impact and value-for-money analyses to be undertaken as part of ReAct III's evaluation programme (ReAct III Business Plan, page 88) should be carefully designed to produce clear evidence of the programme's impacts over and above the counterfactual of the programme not being in place.** This will present several challenges, including the following.
- **Access to programme participants:** ensuring that good contact data on employers and individuals supported by ReAct III is available and that 'permission to contact' and data protection issues do not prevent information being acquired from potential respondents.
  - **Identifying an adequate control group:** estimating the counterfactual will require the identification of people who are made redundant in the ReAct III timeframe but are not assisted by the programme in order that their post-redundancy training and employment profiles may be compared with the post-ReAct profiles of ReAct III participants.
  - **Establishing the longevity of effects:** to date, the post-ReAct outcomes of ReAct are known at a single point in time from surveys undertaken a year or so after participation. It will be valuable to introduce a longitudinal element into the ReAct III evaluation such

that effects of the programme can be observed over as long a timescale as the evaluation programme permits.

- **Establishing the scale of ReAct III impacts:** to date, ReAct has been evaluated in terms of its benefits to employers and participants engaged in the programme. However, ReAct's contribution to the total scale of redundancy in Wales has not been considered. Essentially, the proportion of all people who have been made redundant in Wales during ReAct's operational periods who have been assisted by the programme is not known. It will be valuable to use existing or purpose-built data sources to allow the significance of ReAct III to the totality of redundancy to be recognised.

*Recommendation 3: Operating ReAct III's Business Plan in a way which maximises programme impacts*

- 6.65 Earlier paragraphs in this section noted that ReAct III's Business Plan and longstanding mode of operation may constrain any major change to the programme's basic format. However, that does not mean that there is no operational flexibility within that format to deliver the programme in a way which maximises its overall impact. The recommendation is, therefore, **that programme managers should periodically review the programme's operation and output data to maximise ReAct III's impacts.**
- 6.66 As an example, a first area in which such review may be effective concerns disadvantage. The ReAct III Business Plan observes (page 56) that '*people with lower levels of education and skills find entry to employment, on average, more difficult than other job seekers*'. The Business Plan (page 53) anticipates that half (51 per cent) of participants (in the Convergence area) will have qualifications at or below Level 2 (based on recent profiling of ReAct participants). Survey data reported in this evaluation estimates that at least 57 per cent of ReAct II participants (from the Convergence area) had a qualification at least at Level 3, including 38 per cent with qualification at Level 5 or above. Both sets of statistics imply that a very substantial proportion of ReAct participants have quite high levels of qualification. In some cases, these qualifications may not be job-related or may certificate outdated skills. However, it may be that some or many of the more highly-qualified participants assisted by ReAct have the capacity and resource to find the training or

employment they need without support and, thus, contribute to some observed deadweight in the programme.

- 6.67 Whilst ReAct III will remain a demand-led programme responding to individuals' aspirations, it may be that greater or more focussed support to lower-qualified people would respond both to the Business Plan's expressed intention to support those with education and skills disadvantage and the programme's need to demonstrate additionality and impact.
- 6.68 A second example concerns ReAct III's Business Plan's efforts to increase the additionality of ERS by asking '*employers to sign a declaration to confirm that the post is additional and due to business expansion*' (page 20). It is not clear from the Business Plan what force this declaration actually has. However, declarations of this type may not be meaningful unless they are supported by substantive evidence. It may be that more stringent assessment of employers' assertions that ERS-assisted recruitment is additional and growth-related (perhaps by examination of the businesses' recent employment profile and balance sheet) would strengthen this means of building the programme's additionality and reinforce the ReAct III Business Plan's intention that '*the whole concept of this scheme is to incentivise employers to recruit staff additional to the number they would otherwise have done*' (page 20).
- 6.69 As a final example, the ReAct III Business Plan's continuing demand-led approach allows individuals to pursue training which supports their career aspirations but ensures that '*Careers Wales check the relevance of all proposed training to the local labour market and the ReAct III teams will assess and validate that the cost of training represents value for money*' (page 21). In interviews undertaken as part of the final evaluation, Careers Wales staff reported that they had a very clear idea of the precise qualifications which local employers wanted and often saw ReAct participants acquire these qualifications and, consequently, gain employment.
- 6.70 However, survey data used in ReAct II's evaluation has earlier suggested that much training was short (33 per cent lasted less than a week and a further 32 per cent lasted less than a month), that in two-thirds (63 per cent) of cases it did not result in a qualification with a recognised 'level', and, perhaps most significantly, in 40 per cent of cases the qualification was reported by participants as not being a factor in getting their post-ReAct job.

6.71 Broadly, thus, there may be scope to improve the frequency with which training is relevant to subsequent employment – this perhaps implying training which is more frequently of longer duration and to recognised qualification levels – and, thus, increase the additionality of individual training support in terms of its impact on entry to employment.

*Recommendation 4: Increasing ReAct's ability to encourage environmental sustainability and equal opportunities*

6.72 The evaluation has suggested that action by the ReAct team of government to promote employer adoption of good practice in these areas has been extensive but that, whilst employer awareness of these matters may have been widely raised, actual change in practice may have been more limited.

6.73 One factor in this may be that assisted firms already had adequate sustainability and equality strategies in place and that this circumstance limited the scope for change. Management records are not presently clear on this matter and it would be helpful if a more definitive record could be created which identified where the need for change was present, limited, or absent. This contextual information would assist in developing a target for action in this area which was based on observed need, rather than on the total number of firms assisted.

6.74 Perhaps more significantly, employers receiving ReAct assistance have been free to accept government advice on adopting sustainability and equality strategies or not. A possibility is that ReAct support could be made conditional on their doing so. The possible downside is that enforcement of what might be seen as an unwanted 'bureaucratic' cost might dissuade some employers from participation.

6.75 Thus, a two-fold recommendation is that:

**(1) programme managers should strengthen management information by recording employers' starting points in respect of their pre-ReAct approaches to sustainability and equality.**

**(2) programme managers should consider the value of making ReAct support conditional on employers meeting a minimum requirement in respect of their approach to sustainability and equality.**

*Recommendations: summary*

6.76 There are constraints on the extent to which evaluation of ReAct 2008-2014 is able to influence the structure and delivery of ReAct III. However, within those constraints, recommendations comprise the following.

- Review administrative and data procedures and protocols to seek improvement in their consistency and greater simplicity wherever possible.
- Consider and implement evaluation methodologies which clearly establish ReAct III's impacts.
- Continue to explore and then use flexibilities within the mode of operation to maximise the programme's ability to achieve specific objectives and to increase the programme's additionality.
- Strengthen management information on employers' pre-ReAct engagement with the sustainability and equality agendas and consider making the adoption of adequate employer approaches to sustainability and equality a condition of ReAct support.

## Annex A : Research instruments

### Questionnaire: Employers

#### Introduction:

Hello, may I speak with INSERT NAMED CONTACT my name is ..... , I am calling from BMG Research, an independent research company. I'm part of the team which has been commissioned by the Welsh Government to assess the effectiveness of its Redundancy Action Programme, which you might know better as ReAct. **[Explain if necessary:** This is the programme which gave employers a contribution to the wages of redundant workers they took on and sometimes helped with the cost of training those workers.]

I understand that your business was involved in the ReAct programme at some stage between 2011 and 2014. Is this right? **If no or unsure:** Thank and close.

I wonder if you could help us by telling us about your business's experience of the ReAct programme and what effect ReAct had on the business. The interview will only take 15 minutes or so. **Reassure as necessary:** The interview will be in complete confidence according to the Market Research Society's Code of Conduct; we will only share results with the Welsh Government without names or any other identification being attached; you can check BMG's credentials by phoning the Market Research Society on 0500 396 999. Contact at BMG Research is Elizabeth Davies if you would like to find out more about the survey (0121 333 6006)

Could I check whether you would prefer to be interviewed in English or Welsh? **If Welsh:** I am not a Welsh speaker myself but can I arrange for a Welsh speaker to contact you at a date and time which is convenient to you?

**Company details: Complete from database; ask only if any incomplete data:**

**Name of business:**

**Contact telephone number:**

**Respondent name:**

**Local Authority of site:**

1. Conwy
2. Denbighshire
3. Flintshire
4. Gwynedd
5. Isle of Anglesey
6. Wrexham
7. Ceredigion
8. Powys
9. Carmarthenshire
10. Neath Port Talbot
11. Pembrokeshire
12. Swansea
13. Blaenau Gwent
14. Bridgend
15. Caerphilly
16. Cardiff
17. Merthyr Tydfil
18. Monmouthshire
19. Newport
20. Rhondda Cynon Taf
21. Torfaen
22. Vale of Glamorgan

**ASK ALL**

**Q1** Firstly, could I check one or two things about the business? Does the business operate from one site or from more than one? **Code one**

- 1 One site only
- 2 Multiple sites

**IF Q1 = 2**

**Q2** Is your site the headquarters of the business? **Code one**

- 1 Yes
- 2 No

**IF Q2 = 2**

**Q3** Where is the headquarters located? **Prompt as necessary; code one**

- 1 Elsewhere in Wales
- 2 Elsewhere in the UK
- 3 Elsewhere in Europe
- 4 Outside Europe
- 5 Don't know

**ASK ALL**

**Q4** Approximately how many people does the business employ at your site?  
**Code one**

- 1 1-9 employees
- 2 10-49 employees
- 3 50-249 employees
- 4 250+ employees
- 5 Don't know

**IF Q1 = 2**

**Q5** Approximately how many people does the business employ across all its sites? **Code one**

- 1 1-9 employees
- 2 10-49 employees
- 3 50-249 employees
- 4 250+ employees
- 5 Don't know

**DO NOT ASK; TRANSFER SECTOR FROM DATABASE**

**Q6** Sector of business:

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**ASK ALL**

**Q7A** Turning now to your involvement in the ReAct programme, how did you first hear about ReAct? **Prompt as necessary; code one**

- 1 Welsh Government staff got in touch with us
- 2 Jobcentre Plus got in touch with us
- 3 Careers Wales got in touch with us
- 4 Through a Trade Union
- 5 A training provider got in touch with us
- 6 A job applicant told us about ReAct
- 7 Heard about it from other employers
- 8 Read about it in the press
- 9 Came across it whilst looking what grants were available
- 10 Learnt about it from leaflets about ReAct
- 11 Don't know/Can't recall
- 12 Website (**Write in** \_\_\_\_\_ )
- 13 Other

**ASK ALL, MULTI CODE**

**Q7B** In which of the following years did you engage with the ReAct programme?

- 1 2011
- 2 2012
- 3 2013
- 4 2014
- 5 Another year – PLEASE SPECIFY
- 6 Don't know/can't remember

**ASK ALL**

**Q8** Have you had contact with any of the following organisations as a result of becoming involved with ReAct? **Read out all; code all that apply**

- 1 The Welsh Government ReAct team
- 2 Jobcentre Plus
- 3 Careers Wales
- 4 A training provider
- 5 None of these
- 6 Don't know/Can't recall

**IF Q8 = 1**

**Q9** How helpful have you found the Welsh Government's ReAct Team? **Prompt as necessary; code one**

- 1 Very helpful
- 2 Fairly helpful
- 3 Fairly unhelpful
- 4 Very unhelpful
- 5 Don't know/don't remember
- 6 Not applicable – no contact

**IF Q8 = 2**

**Q10** How helpful have you found Jobcentre Plus? **Prompt as necessary; code one**

- 1 Very helpful
- 2 Fairly helpful
- 3 Fairly unhelpful
- 4 Very unhelpful
- 5 Don't know/don't remember
- 6 Not applicable – no contact

**IF Q8 = 3**

**Q11A** How helpful have you found Careers Wales? **Prompt as necessary; code one**

- 1 Very helpful
- 2 Fairly helpful
- 3 Fairly unhelpful
- 4 Very unhelpful
- 5 Don't know/don't remember
- 6 Not applicable – no contact

**IF Q8 = 4**

**Q11B** How helpful have you found the training provider(s)? **Prompt as necessary; code one**

- 1 Very helpful
- 2 Fairly helpful
- 3 Fairly unhelpful
- 4 Very unhelpful
- 5 Don't know/don't remember
- 6 Not applicable – no contact

**ASK ALL**

**Q12** Can I just check which elements of ReAct have you been involved with?  
**Read out both below and code 'yes' or 'no' for each**

	Yes	No	Don't know/unsure
<b>A</b> Employer Recruitment Support , that is, a grant to help with new recruits' wage costs during their first year in employment	1	2	3
<b>B</b> Employer Training Support, that is, a grant to help with the costs of training new recruits	1	2	3

**IF Q12A = 1 ASK Q13 TO Q30 AS APPROPRIATE**

**Q13** Looking at your **Employment Recruitment Support** (IF YES TO BOTH ABOVE i.e. the grant to help with new recruits' wage costs, not training costs) how easy or difficult did you find it to apply for this support? **Prompt as necessary; code one**

- 1 Very easy
- 2 Quite easy
- 3 OK – neither particularly easy or difficult
- 4 Difficult
- 5 Very difficult
- 6 Don't know

**IF Q12A = 1**

**Q14** Could I just check, the programme's database shows you have had (**number from database**) recruits with a ReAct contribution to wages since 2011? Is this correct? IF YES INTERVIEWER TO CODE NUMBER FROM DATABASE SHOWN, IF NO How many people have you recruited with a ReAct contribution to wages since 2011? **Code appropriately for agreed number**

- 1 1
- 2 2
- 3 3-5
- 4 6-10
- 5 11-15
- 6 16-20
- 7 More than 20
- 8 Don't know/can't remember

**IF Q12A = 1**

**Q15** How long did it take from putting in your application for Employment Recruitment Support to having the support approved? **Prompt as necessary; if more than one supported recruit at Q14, prompt as necessary with 'on average....'**

- 1 Under 1 week
- 2 1-2 weeks
- 3 3-4 weeks
- 4 5-8 weeks
- 5 More than 8 weeks
- 6 Don't know

**IF Q15 = 2 - 5**

**Q16** Did this period of waiting for approval cause .... ? **Read out except for 'don't know'; code one**

- 1 Significant difficulty for your organisation
- 2 A minor difficulty for your organisation
- 3 No difficulty for your organisation
- 4 Don't know

**Q17** Are all, some, or none of the recruits you took on with ReAct support still working for the organisation? **Code one**

- 1 All
- 2 Some
- 3 None
- 4 Don't know

**IF Q17 = 2 OR 3**

**Q18** How many have left the organisation's employ? **Prompt as necessary; code one**

- 1 1
- 2 2
- 3 3-5
- 4 6-10
- 5 11-15
- 6 16-20
- 7 20 or more
- 8 Don't know/can't remember

**IF Q17 = 2 OR 3**

**Q19** Why did these individuals leave the organisation's employ? **Prompt as necessary; code all that apply**

- 1 One or more left of their own accord
- 2 One or more was dismissed by the organisation other than because they were redundant
- 3 One or more was made redundant
- 4 Other (**Write in** \_\_\_\_\_ )
- 5 Don't know/refused/prefer not to say

**IF Q17 = 1 OR 2**

**Q20** What kinds of jobs are the recruits who are still with you doing now? **Prompt as necessary; code all that apply**

- 1 Manager or senior official
- 2 Professional occupations
- 3 Associate professional and technical occupations
- 4 Administrative and secretarial occupations
- 5 Skilled trades occupations
- 6 Personal service occupations
- 7 Sales and customer service occupations
- 8 Process plant and machine operatives
- 9 Elementary occupations
- 10 Temporary staff
- 11 Other
- 12 Don't know

**IF Q12A = 1**

**Q21** Did the people you recruited generally have the right kinds of skills and qualifications when you took them on? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q21 = 2**

**Q22** Which of the following skills or qualifications did they lack? **Read out; code all that apply**

- 1 Numeracy or literacy skills
- 2 Knowledge of the organisation and the way it works
- 3 ICT skills
- 4 Job specific or technical skills
- 5 Interpersonal/communication skills
- 6 Management skills
- 7 Certificates which particular types of worker are required to have by law
- 8 Other (**Write in** \_\_\_\_\_ )
- 9 Don't know

**IF Q12A = 1**

**Q23** How likely is it that you would have employed these individuals even if they had not benefited from ReAct Employer Recruitment Support? **Read out; code one**

- 1 Very likely
- 2 Fairly likely
- 3 Fairly unlikely
- 4 Very unlikely
- 5 Don't know

**IF Q23 = 1 OR 2**

**Q24** Did the availability of ReAct Employer Recruitment Support mean that you recruited these individuals any sooner than you otherwise would have? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q24 = 1**

**Q25** Roughly how much sooner do you think you recruited the individuals concerned than you might otherwise have done? **Prompt as necessary; code one**

- 1 Less than 1 month
- 2 1-3 months
- 3 4-6 months
- 4 More than 6 months

**IF Q23 = 3 OR 4**

**Q26** Which of the following best describes the extent to which other, possibly better-suited candidates were overlooked because you took on a member(s) of staff for whom the ReAct wage contribution could be claimed? **Read out; code one**

- 1 Definitely
- 2 Probably
- 3 Probably not
- 4 Definitely not
- 5 Don't know

**IF Q12A = 1**

**Q27** Would you be more or less inclined to recruit redundant or unemployed people in future as a result of your involvement with ReAct? **Prompt as necessary; code one**

- 1 A great deal more
- 2 A little more
- 3 No difference
- 4 A little less
- 5 A great deal less
- 6 Don't know

**IF Q12A = 1**

**Q28** Given your experience of ReAct, how likely would you be to recommend the programme to other organisations similar to yours? **Prompt as necessary; code one**

- 1 Very likely
- 2 Quite likely
- 3 Might or might not
- 4 Not very likely
- 5 Not at all likely
- 6 Don't know/refused

**IF Q12A = 1**

**Q29** Could you say how much each of the following was a benefit for your organisation resulting from taking on a recruit (recruits) with a wage contribution from ReAct? Could you use a five point scale where 1 means no benefit at all and 5 means a very considerable benefit? **Read out all; code one for each**

						<b>Don't know</b>
Getting worker(s) with the skills you needed	1	2	3	4	5	6
Getting worker(s) who have got good work habits and work ethics	1	2	3	4	5	6
Getting financial assistance with the worker'(s) wage	1	2	3	4	5	6

**IF Q12A = 1**

**Q30** Just to summarise, if Employer Recruitment Support had not been available, which of the following would you have done ....? **Read out all; code all that apply**

- 1 Recruited the same number of people even without the support
- 2 Recruited fewer people
- 3 Spread recruitment over a longer period
- 4 Used agency or self-employed labour or sub-contractors
- 5 SINGLE RESPONSE Not recruited anyone at all – just gone on with existing staff
- 6 Or something else (**Write in** \_\_\_\_\_ )
- 7 Don't know

**IF Q12B = 1**

**Q31** Looking now at the ReAct Employer Training Support you received – that's the ReAct grant to help with the cost of training new recruits – how many new recruits did you train with the help of ReAct Employer Training Support?  
**Prompt as necessary; code one**

- 1 1
- 2 2
- 3 3-5
- 4 6-10
- 5 11-15
- 6 16-20
- 7 More than 20
- 8 Don't know/can't remember

**IF Q12B = 1**

**Q32** How long did it take from putting in your application for Training Support to having the support approved? **Prompt as necessary; if more than one supported recruit at Q31, prompt as necessary with 'on average....'**

- 1 Under 1 week
- 2 1-2 weeks
- 3 3-4 weeks
- 4 5-8 weeks
- 5 More than 8 weeks
- 6 Don't know

**IF Q32 = 2 - 5**

**Q33** Did this period of waiting for approval cause .... ? **Read out except for 'don't know'; code one**

- 1 Significant difficulty for your organisation
- 2 A minor difficulty for your organisation
- 3 No difficulty for your organisation
- 4 Don't know

**IF Q12B = 1**

**Q34** Which of the following kinds of training did you provide for the new recruits using the final contribution provided by ReAct? **Read out; code all that apply**

- 1 Equal Opportunities training
- 2 Environmental Sustainability training
- 3 ICT training
- 4 Job specific/technical training
- 5 Training for certificates which particular types of worker are required to have by law
- 6 Personal skills development (eg. interpersonal skills, communication)
- 7 Management skills development
- 8 Other (**Write in** \_\_\_\_\_ )
- 9 Don't know

**IF Q12B = 1**

**Q35** Would you have provided this training to the new recruits if the Employer Training Grant had not been available to you? **Read out; code one**

- 1 Definitely
- 2 Probably
- 3 Probably not
- 4 Definitely not
- 5 Don't know

**ASK ALL**

**Q36** Regardless of the type of ReAct Support you received, have you provided the new recruits with any additional training, **not** funded by the ReAct Employer Training Grant? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q36 = 1**

**Q37** Which of the following kinds of training was this? IF NEEDED: the additional training you provided the new recruits, **not** funded by the ReAct Employer Training Grant. **Read out; code all mentioned**

- 1 Induction training
- 2 Equal Opportunities training
- 3 Environmental Sustainability training
- 4 ICT training
- 5 Job specific/technical training
- 6 Training for certificates which particular types of worker are required to have by law
- 7 Personal skills development (eg. interpersonal skills, communication)
- 8 Formal apprenticeships
- 9 Management skills development
- 10 Other (**Write in** \_\_\_\_\_ )
- 11 Don't know

**IF Q36 = 1**

**Q38** How was this training funded? **Prompt as necessary; code all that apply**

- 1 By a Government grant awarded to the organisation for training
- 2 It was free
- 3 By the organisation
- 4 By the individual employee
- 5 Other
- 6 Don't know

**IF Q12B = 1**

**Q39** Has your investment with ReAct made your organisation more positive or less positive about training? **Read out; code one**

- 1 Made us more positive about training
- 2 No difference
- 3 Made us less positive about training
- 4 Not applicable
- 5 Other

**IF Q39 = 1**

**Q40** Is your organisation any more likely to invest in training as a result of your involvement with ReAct? **Read out; code one**

- 1 Definitely
- 2 Probably
- 3 Probably not
- 4 Definitely not
- 5 Don't know

**ASK ALL**

**Q41** Could I ask you a couple of more general questions about ReAct? First, did you receive any materials, advice and/or signposting relating to your organisation's Equal Opportunities policies as part of your involvement with ReAct? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q41 = 1**

**Q42** What difference, if any, did this advice make to your organisation? **Prompt as necessary; code all that apply**

- 1 No difference
- 2 Caused us to put an Equal Opportunities policy in place
- 3 Caused us to revise/update our Equal Opportunities policy
- 4 Caused us to change our recruitment and HR practices
- 5 Caused us to think more carefully about equalities, but did not lead us to changing our practices
- 6 Other (**Write in** \_\_\_\_\_ )
- 7 Don't know

**ASK ALL**

**Q43** And did you receive any materials, advice, or signposting relating to your organisation's Environmental Sustainability policies as part of your involvement with ReAct? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q43 = 1**

**Q44** What difference, if any, did this advice make to your organisation? **Prompt as necessary; code all that apply**

- 1 No difference
- 2 Caused us to put an Environmental Sustainability policy in place
- 3 Caused us to revise/update our Environmental Sustainability policy
- 4 Caused us to change our energy/waste management practices
- 5 Caused us to think more carefully about environmental issues, but did not lead us to changing our practices
- 6 Other (**Write in** \_\_\_\_\_ )
- 7 Don't know

**ASK ALL**

**Q45** Did any of the people who you IF Q12A=1 recruited/ IF Q12B=1 trained with a wage contribution from ReAct require ....? **Read out both; code one for each**

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>
<b>A</b> Training in Welsh language skills	1	2	3
<b>B</b> Other training delivered through the medium of Welsh	1	2	3

**IF Q45A = 1**

**Q46** Was Career Wales involved in identifying and advising on the training in Welsh language skills which was required? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q46 = 1**

**Q47** How effective was Careers Wales in performing this role? **Prompt; code one**

- 1 Very effective
- 2 Quite effective
- 3 Neither effective nor ineffective
- 4 Quite ineffective
- 5 Very ineffective
- 6 Don't know

**IF Q45A = 1**

**Q48** Was training in Welsh language skills actually made available to recruits who needed it? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q48 = 1**

**Q49** How effective was the training in Welsh language skills? **Prompt; code one**

- 1 Very effective
- 2 Quite effective
- 3 Neither effective nor ineffective
- 4 Quite ineffective
- 5 Very ineffective
- 6 Don't know

**IF Q45B = 1**

**Q50** Was Careers Wales involved in identifying and advising on the training through the medium of Welsh which was required? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q50 = 1**

**Q51** How effective was Careers Wales in performing this role? **Prompt; code one**

- 1 Very effective
- 2 Quite effective
- 3 Neither effective nor ineffective
- 4 Quite ineffective
- 5 Very ineffective
- 6 Don't know

**If Q45B = 1**

**Q52** Was training through the medium of Welsh actually made available to the recruits who needed it? **Code one**

- 1 Yes
- 2 No
- 3 Don't know

**IF Q52 = 1**

**Q53** How effective was this training through the medium of Welsh? **Prompt; code one**

- 1 Very effective
- 2 Quite effective
- 3 Neither effective nor ineffective
- 4 Quite ineffective
- 5 Very ineffective
- 6 Don't know

**ASK ALL**

**Q54** As a final summary, could you say whether you have got any of the following possible benefits from your involvement with ReAct? **Read out all; code one for each**

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>
A significant addition to your workforce's skills	1	2	3
One or more reliable recruits with a good work ethic	1	2	3
A useful financial contribution to your organisation's wage bill	1	2	3
An improvement in the efficiency of your business	1	2	3
An increase in your capacity to take on work	1	2	3
An increase in the business's innovation as a result of recruiting staff with ReAct wage contributions	1	2	3

**ASK ALL**

**Q55** Has ReAct brought any other benefits for the business? **Write 'yes' or 'no'; if 'yes'; probe and write in**

**Q56** Has ReAct had any negative aspects for the business? **Write 'yes' or 'no'; if 'yes'; probe and write in**

**Q57** Is there any other comment you would like to make about ReAct? **If any, write in**

**Q58** Would you be interested in taking part in a further in depth interview with one of our researchers to explore your experiences of the ReAct Programme in more detail?

Yes COLLECT PREFERED CONTACT DETAILS

No

**THANK AND CLOSE**

## Discussion guide: Participants

### Introduction

- BMG undertaking final evaluation of ReAct II.
- Looking to get the participant perspective on the programme to inform the development of ReAct and other similar support programmes.
- Some areas may not be relevant to you and your experience and that's fine.
- Confidential: We will not identify you or your organisation in reporting back to the Welsh Government and neither you nor your organisation will be identified in any published report of the evaluation.
- Ask for permission to record.

### Before the programme

- Q1** Could you begin by telling me about the job from which you were made redundant prior to starting ReAct? **Probe for:** Occupation/job title; employer – sector/size/location; full-time/part-time; how many years in post; job satisfaction/perception of status/seniority.
- Q2** What were the circumstances of your redundancy? What happened with your employer to cause this?

### Entry into ReAct

- Q3** What happened following your redundancy? Did you look for work? What as? With what result? Or did you learn immediately about ReAct and start applying? IF LOOKED FOR WORK FIRST: Why did you choose to do this in the order you did?
- Q4** How did you find out about ReAct? What did you think when you heard the programme was available?
- Q5** Why did you apply? Did anyone encourage you or advise you to do so?
- Q6** How did you decide what kind of training to pursue? Were you advised by Careers Wales? If so, did you find their advice valuable at the time in helping you to choose training? Did they provide information on the local labour market? Were you advised by anyone else? How valuable was this other advice?
- Q7** How did you find the actual course(s) you took? Was this a result of advice or did you find what you wanted yourself?
- Q8** How easy or difficult was it to complete the paperwork you needed to apply for ReAct?

- Q9** How welcoming was the college or training provider where you chose to study or train? Did they influence you in your choice of course(s)? Were their entry procedures straightforward? Did the course start at a time which was suitable for you?
- Q10** Were you offered the opportunity to study in Welsh if you wanted to? If so, was this taken up and why/why not?

### **The course/training**

- Q11** What course(s) did you actually take? **Probe for:** subject(s); levels; whether led to qualification; what qualification; total planned length (start to finish dates); hours per week; whether work experience involved and, if so, what?
- Q12** How much was/were the course(s) in total? How much ReAct grant was paid? How much did you have to pay yourself? Apart from course fees, did you receive any financial help with travel, or accommodation, or childcare costs? If so, how much additional financial support was received and how important was this to being able to undertake the course(s).
- Q13** What did you think of the course(s) itself? **Probe for:** relevance of content to employment they wanted (and whether in a sector/role where there are jobs)?
- Q14** While you were on the course was there encouragement or instruction about environmental sustainability - things like recycling materials, minimising waste or electricity use, or minimising car travel? What sort of things did you learn?
- Q15** Did you complete all the elements of the course(s) intended? If not, why did you not complete some/all? Did you get the qualifications to which the course led towards? If not, why not?

### **Since the course/training**

- Q16** Could you describe what's happened to you since you left the course or training supported by ReAct? **Probe for:** employment history since [occupation(s) and job title(s); FT/PT; employer size/sector; self-employment; relationship of pre-ReAct and post-ReAct occupations]; any further training or study (ether as part of employment or separate).
- Q17** **If employed since course/training:** How long did it take you to first find work after ReAct funded training? How significant was ReAct to the type of work you got and/or to an employer taking you on?
- Q18** **If employed since course/training:** Are you aware of a contribution towards your wages the government has paid to your employer because you were on the ReAct programme? If so: What benefit do you think this has on your employment e.g. you were employed more quickly, gave you additional

advantages as a candidate when applying, has enabled more or less job security?

- Q21** Generally, how satisfied have you been with what you've done since ReAct? How influential has ReAct been on those outcomes?

### **Financial impact**

- Q22** Could you also give me a picture of how ReAct has affected your financial circumstances? **Probe for:** wage/salary in job from which was made redundant; benefits received and benefit income before, during, and after training; current wage/benefit situation and level. [*Generally set a picture of the financial gains/losses of income across the pre- and post-ReAct period.*]

### **Summary**

- Q23** Finally, could you summarise how you feel about your ReAct experience? How valuable has it been to personal development and career?
- Q24** What were ReAct's main strengths and weaknesses? What, if anything, would you change about the ReAct approach which would help other people going through the experience?

## **THANK AND CLOSE**

The final report is expected to be published early Autumn and will be available on the Welsh Government Research pages if you are interested ([www.gov.wales/statistics-and-research](http://www.gov.wales/statistics-and-research)), It will feed into the development and evidence for education and skills programmes more widely.

## Discussion guide: Providers

### Introduction

- BMG undertaking final evaluation of ReAct II.
- Looking to get the provider perspective on the programme, mainly in respect of its 2011 to 2014 phase.
- Don't expect answers on every question – just on things where you have knowledge or a view.
- Confidential: We will not identify you or your organisation in reporting back to the Welsh Government and neither you nor your organisation will be identified in any published report of the evaluation.
- Ask for permission to record.

### Individual's role

- Q1** Could you give me your job title, briefly describe your personal connection with ReAct, and the history of that connection?

### Organisation's role

- Q2** As you will know, ReAct has two main strands, one to support the training courses of redundant workers, a second to encourage employers to recruit and train redundant workers. Looking at the first strand, has your organisation been involved in training ReAct individual participants? For how long? How many trainees per year? Main subjects/courses taken up by trainees?
- Q3** Secondly, has your organisation been involved in training redundant workers on behalf of employers who have taken them on with a ReAct incentive? For how long? How many trainees per year? What sectors of employment? Main subjects/courses required by employers?
- Q4** Overall, how important would you say ReAct funding has been to your organisation? Has it been an important revenue stream or has it been a relatively minor or trivial input to your organisation's total activity and income?
- Q5** Has ReAct had any impact on your organisation in terms of its staffing, its facilities, or the courses you offer or run? What have these been?

### Rationale for ReAct

- Q6** What do you understand as being the current rationale for ReAct? Is that rationale a sound one? Has that rationale changed in recent years? Has the need and justification for the programme changed?
- Q7A** As we have said, the programme has two main strands. One to support the training costs of redundant workers, a second to encourage employers to

recruit and train redundant workers. Which of those strands do you think of as most important? Why?

**Q7B** To what extent has provision been linked to specific jobs/sectors where appropriate? When has this been the case and why/why not?

### **Change in ReAct's terms in 2011**

**Q8** In 2011, the individual training grant was reduced to £1,500, the wage subsidy to employers was increased to £3,000, and the support to employer training costs was capped at 50% of costs up to a maximum of £1,000. What do you understand as being the rationale for these changes; were the changes necessary and sensible; and what were the effects of the changes on individuals and employers who received grants and on your organisation?

### **Administration**

**Q9** The programme has required a significant amount of administration. Particularly, it has needed a variety of forms to be completed by participants, providers and employers and the maintenance of an electronic management system, the European Data Management System or EDMS. It has also needed individuals and employers to supply proof of redundancy. Generally, how efficient do you think these elements have been operated? Could administration have been simplified or reduced in any way?

**Q10** Overall, has ReAct's administration been burdensome for your organisation or has it been reasonable? What particular arrangements or costs has it required?

### **Careers Wales' role**

**Q11** Careers Wales has had a role in giving guidance to individual ReAct participants on what type and level of training would be valuable to them in securing employment. In your experience, how well has this role been performed?

### **Other ReAct partners**

**Q12** Other organisations which have been involved in helping ReAct managers in the Welsh Government to position the programme effectively have been Jobcentre Plus, Trades Unions, and Sector Skills Councils. Have the roles of any of those organisations affected your organisation in any way? How? Has/have the organisation(s) been effective/helpful or have there been any problems or difficulties? What? How resolved?

**Q13** Overall, has ReAct been able to provide a service to individuals and employers which has been clear and simple for them?

## **Outcomes**

- Q14** Generally, how enthusiastic have your ReAct trainees been? Could you estimate how many have completed their training and got any qualification which applied? If non-completion, what were the reasons for this?
- Q15** On completion, did you provide any support to your trainees to help them find work? What was this?
- Q16** Was their subsequent progress monitored either formally or informally? What proportion of your trainees would you estimate found work subsequent to their training or study? Was the work they found directly related to the training or study they undertook?
- Q17** **If has trained ReAct recruits on behalf employers (see Q3)** How have employers whose recruits you have trained benefited from ReAct ? (**Probe for:** gains in skills, cost savings from ReAct subsidy, getting experience staff, getting staff with good work ethic, increase in business capacity, other)

## **Welsh language**

- Q18** Has your organisation supplied any ReAct training in the Welsh language or any other ReAct training through the medium of Welsh? Has this been requested by individuals or employers? Has Careers Wales advised individuals or employers on this training? How effective has Careers Wales been in providing this advice? Generally, has ReAct stimulated training in or through the Welsh language?

## **Additionality/deadweight**

- Q18** Do you think the people you trained with ReAct support would have trained anyway or would have got equivalent jobs without the training? To what extent do you feel this is the case – did ReAct have a significant effect on trainees' behaviour and outcomes or was it largely funding behaviours or outcomes which would have occurred even in ReAct's absence?

## **Summary**

- Q19** Overall, could you give a view on how successful ReAct has been and on its overall impacts?
- Q20** What have been the programme's main strengths and weaknesses?
- Q21** How do you feel about ReAct's future role – for how long and in what circumstances should it continue?

## **THANK AND CLOSE**

## Discussion guide: Employers

### Introduction

- BMG undertaking final evaluation of ReAct.
- Looking to get the employer perspective on the programme.
- Don't expect answers on every question – just on things where you have knowledge or a view.
- Confidential: We will not identify you or your organisation in reporting back to the Welsh Government and neither you nor your organisation will be identified in any published report of the evaluation.
- Ask for permission to record.

### Individual's role

**Q1** Could you give me your job title and explain your main responsibilities.

### Organisation

**Q2** Could you also describe your business? **Prompt for:**

- Ownership (public limited, private limited, sole ownership, partnership, other)
- Main products or services
- Age of business
- Number of sites (location of HQ if multi-site)
- Employment (at the site/all sites if multi-site)
- Approach to training (whether has training plan and/or budget, whether trains staff regularly)

### Organisation's role in respect of ReAct

**Q3** Could you describe your business's connection with ReAct? When did you first become involved?

**Q4** How did that involvement come about? **Probe for how first learned about ReAct (marketing, personal contacts, etc.)**

**Q5** How many individuals have you recruited with the ReAct wage subsidy since 2011? When was/were this/these individual(s) recruited?

**Q6** How was/were this/these individual(s) identified to you as having been previously made redundant and now looking for work?

**Q7** What occupation(s) were they recruited into?

- Q8** Did this/these individual(s) receive training? What sort of training did they receive? Was the training part-funded by a ReAct training grant or did you supply the training without any financial support?

#### **Administration**

- Q9** ReAct requires employers to fulfil a variety of requirements – for example, filling in an application form, ensuring that there is evidence of recruits' previous redundancy, and supplying evidence of the wages to pay them. Generally, did you find ReAct paperwork to be unduly difficult or burdensome or was it a reasonable requirement in respect of the financial support you were receiving? More specifically, were there any aspects of the application form which were difficult to complete?

- Q10** The wage support you received was paid in four quarterly instalments. Did you regard this as reasonable or would a different arrangement have been preferable?

#### **European Commission cross-cutting themes**

- Q11** The European Commission, which supports ReAct, has objectives for the encouragement of environmental sustainability and of equal opportunities in the delivery of programmes. Taking environmental sustainability objectives first, has ReAct required or encouraged you to support the achievement of these in any way? If so, do you regard this development to be valuable or useful to you?

- Q12** Looking at the promotion of equal opportunities objectives, did ReAct do anything to encourage you to recruit redundant people who fell into particular target groups such as older people, women, or people from ethnic minority groups, or people with disabilities or long-standing health problems?

- Q13** Did your involvement in ReAct involve any consideration of your organisation's approach to Equal Opportunities? Did it encourage or assist you to introduce or further develop an Equal Opportunities strategy or monitoring system? Could you describe this? What development or changes took place as a result? How beneficial were these changes? Did the changes have any downsides for your organisation?

#### **Welsh language**

- Q14** Did any of your ReAct recruits need to train in the Welsh language or to have training in other skills which was delivered in Welsh? **If 'yes'**: Did Careers Wales assist or advise you on this matter? Was this assistance or advice effective and valuable? Did your recruits actually get the Welsh language training or training through the Welsh medium which they needed? Was this training effective and valuable?

**Q15** Has your involvement with ReAct had any effects on Welsh language skills in your wider workforce; that is, not just on ReAct recruits?

### **Outcomes**

**Q16A** Generally, how well have things worked out with your ReAct recruits? **Probe for:** Whether stayed the full support period (first year); whether stayed beyond that; whether have progressed as employees/become valued staff members/ have had salary increases.

**Q16B** To what extent did you find the support you received was linked or tailored to your specific sector and the jobs you had available where appropriate? When has this been the case and why/why not? What impact did this have on your company's experience of ReAct?

**Q17** How has the business benefited from involvement with ReAct? **Probe for:** impact of wage subsidy; ease/pace of recruitment; ability to get skilled/experienced staff; addition of staff with good work ethic; increase in business efficiency; increase in business capacity; (if has had training subsidy) ability to train at subsidised cost and impact on business's attitude to training.

### **Additionality**

**Q18** If you had not recruited individual(s) with ReAct wage subsidy, what would you have done instead? **Probe for:** would they have recruited? If so, would they have recruited: the same number of individuals; the same particular individuals; at the time when they did recruit?

**Q19** **If received training subsidy:** If you had not had the ReAct training subsidy for your ReAct recruits, would you have trained them anyway? **Probe for:** whether they would have trained to the same extent and in the same way.

### **Summary**

**Q20** Overall, could you give a view on how successful ReAct has been and on its overall impacts for the local or wider economy, your business, and for your recruits?

**Q21** What have been the programme's main strengths and weaknesses?

**Q22** How do you feel about ReAct's future role – for how long and in what circumstances should it continue?

**THANK AND CLOSE**

## Discussion guide: Government officials and partners

### Introduction

- BMG undertaking final evaluation of ReAct II.
- Looking to get the management perspective on the programme, mainly in respect of its 2011 to 2014 phase.
- Don't expect answers on every question – just on things where you have knowledge or a view.
- Confidential: We will not identify you or your department/organisation in reporting back to the Welsh Government and neither you nor your department/organisation will be identified in any published reports of the evaluation.
- Ask for permission to record.

### Individual's role

- Q1** Could you give me your job title and briefly describe your connection with ReAct and the history of that connection?

### Rationale of ReAct

- Q2** What do you understand as being the current rationale for ReAct? Is that rationale a sound one? Has that rationale changed in recent years? Has the need for, and justification of, the programme changed?
- Q3** The programme has two main strands. One to support the training costs of redundant workers, a second to encourage employers to recruit and train redundant workers. Which of those strands do you think of as most important? Why?

### Change in ReAct's terms in 2011

- Q4** In 2011, the individual training grant was reduced to £1,500, the wage subsidy to employers was increased to £3,000, and the support to employer training costs was capped at 50% of costs up to a maximum of £1,000. What do you understand as being the rationale for these changes; were the changes necessary and sensible; and what were their effects?

### Administration

- Q5** The programme has required a significant amount of administration. Particularly, it has needed a variety of forms to be completed by participants, providers and employers and the maintenance of an electronic management system, the European Data Management System or EDMS. It has also needed individuals and/or employers to supply proof of redundancy. Generally, how efficiently do you think these elements have been operated? Could administration have been simplified or reduced in any way?

**Q6** Overall, have administrative inputs and costs been reasonable in relation to the scale of the programme?

### **Partnerships**

**Q7** The programme has required inputs from Careers Wales to provide a guidance gateway into training for individuals seeking ReAct support. How effectively has this partnership worked? What have been the key benefits? Have there been any problems? If so, have these been resolved satisfactorily?

**Q8** The programme also requires that ReAct support is co-ordinated with that of Jobcentre Plus to provide a comprehensive service for redundant workers (ReAct offering support in the first 6 months of redundancy, Jobcentre Plus mainly supporting those who have been unemployed for 6 months or more). How effectively has this partnership worked? What have been the key benefits? Have there been any problems? If so, have these been resolved satisfactorily?

**Q9** ReAct programmes also have the potential to overlap with training support offered by the Welsh Trade Unions' Learning Fund (WULF). How effectively have relationships with Trade Unions worked? What have been the key benefits? Have there been any problems? If so, have these been resolved satisfactorily?

**Q10A** Sector Skills Councils may also have had views on the appropriateness of training supported by ReAct. Have these views assisted and/or been satisfactorily accommodated? Have there been any problems? If so, have these been resolved satisfactorily?

**Q10B** To what extent has provision been linked to specific jobs/sectors where appropriate? When has this been the case and why/why not?

**Q11** Overall, has ReAct been able to provide a service to individuals and employers which has been clear and simple for them?

### **European Union cross-cutting themes**

**Q12** The European Union's cross-cutting themes concern objectives for the encouragement of environmental sustainability and of equal opportunities in the delivery of programmes. Taking environmental sustainability objectives first, what has ReAct done to support the achievement of these? Has this work been sufficient and how effective has it been?

**Q13** Looking at the promotion of equal opportunities objectives, what has ReAct done to secure adequate representation of target groups (including women, BME groups, and those with disabilities or work-limiting health problems)? Has this work been sufficient and how effective has it been?

**Q14** Specifically, ReAct has encouraged employers to introduce or develop the Equal Opportunities strategies. Could you describe how this encouragement has operated in practice and give a view on how effective it has been?

### **Welsh language**

**Q15** Do you have any views or knowledge on ReAct's effectiveness in promoting training in Welsh language skills or through the Welsh medium? How frequently has such training been required? How effective has Careers Wales been in advising employers on this matter?

**Q16** Has ReAct had any effects on the Welsh language skills of the wider workforces of ReAct employers; that is, on employers' other staff members, not just those supported by the ReAct wage subsidy?

### **Training providers**

**Q17** How have public and private training providers responded to the opportunity to supply training and receive income from ReAct and its funding? Has ReAct been a significant income stream? Have they adjusted their provision or their fees in any way? Generally, have providers used the ReAct income opportunity positively and supportively? Have there been any downsides to their use of ReAct?

### **Outputs and outcomes**

**Q18** What are your perceptions of ReAct's performance in recruiting individual learners and employers into the programme? Has the programme met its target volumes of participation? How has it achieved this? Has it failed to support some individuals or employers who should have been supported but weren't?

**Q19** What are your perceptions of ReAct's outputs? Have individual participants generally completed their training and progressed into employment as hoped? Have employers recruited redundant workers in significant numbers and trained them as necessary – and if so, how have they (the employers) benefited? **Probe for:** increases in workforce skills, increased capacity, experienced, reliable recruits, increased business efficiency, other) ?

### **Additionality/deadweight**

**Q20** Deadweight in the programme could have arisen in two main ways:

- Individuals might have trained anyway without ReAct support or have gone into equivalent jobs without ReAct training at all.

- Employers might have recruited and trained redundant workers anyway without the ReAct incentives.

What is your view on these possible sources of deadweight? How important has it been to avoid them? What efforts were made to avoid them? How successful do you think those efforts were? Could/should more have been done?

### **Summary**

**Q21** Overall, could you give a view on how successful ReAct has been and on its overall impacts?

**Q22** What have been the programme's main strengths and weaknesses?

**Q23** How do you feel about ReAct's future role – for how long and in what circumstances should it continue?

**THANK AND CLOSE**