

# Evaluation of the Workforce Development Programme (WDP)

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## Executive Summary

### 1. Background to the Workforce Development Programme

- 1.1 The Workforce Development Programme (WDP) was a training programme funded and managed by the Welsh Government. It was initially launched in 2005 and closed to new entrants on 31st January 2015 with all funded training activity coming to an end by 31st August 2015.
- 1.2 The WDP funded the activities of a network of Workforce Development Advisors (WDAs) contracted by the Welsh Government to help businesses in Wales review their staff development activities and to identify training needs. WDAs carried out a diagnostic review of staff development and helped build a skills development plan for businesses based on identifying existing approaches to training, training requirements and broader issues and challenges facing each business.
- 1.3 The WDP also contained a discretionary fund which financially supported companies with the cost of training their staff. Financial support was awarded at a 50 percent intervention rate for businesses who wanted to provide training for staff that was accredited, qualification based or met widely recognised industry standards. Advice and guidance and, where appropriate a short application form were provided to businesses via the Welsh Government's Business Skills Hotline team and directly from Workforce Development Advisors.

### 2. Evaluation Aims and Methodology

- 2.1 The WDP had already been the subject of an earlier evaluation (covering the period 2008-2011). The aims of this final evaluation (covering the period 2012-2015) were to:
  - assess the level of engagement/service provided through the Hotline and WDAs
  - examine how effectively the application and decisions process worked (e.g. the speed of decisions, input to decisions made using relevant WG expertise)
  - assess the training delivered in terms of quality, relevance, flexibility and value for money
  - assess the additionality of funded training

- assess the overall impact of the WDP.

2.2 The methodology adopted for this final evaluation included reviewing monitoring information and earlier evaluation reports. It also involved the preparation of appropriate quantitative and qualitative research instruments and undertaking a telephone survey between March and May 2015 using a census approach to a database of supported businesses provided by the Welsh Government . Follow-up visits were undertaken with a sample of 20 WDP supported businesses and where possible, these also included interviews with the relevant training providers and WDAs. Consultation interviews were also undertaken with five Welsh Government officials involved in managing and implementing the WDP.

### **3. Key Findings**

#### **Level of engagement and service provided**

- 3.1 The evaluation found that the WDP had succeeded in engaging with a wide range of businesses across a number of sectors and throughout different parts of Wales providing them with high quality workforce development advice and support services and funding to help train their staff.
- 3.2 Overall, the programme supported some 4,315 businesses between April 2011 and March 2015, most of which have been SMEs, and performed solidly against its key performance indicators.
- 3.3 Workforce Development Advisors have played an important and proactive role in promoting awareness of and engagement with the WDP by consolidating existing and developing new relationships with businesses across Wales.
- 3.4 While WDAs provided a valued diagnostic service aimed at identifying skills gaps and training needs, most supported businesses felt that they already had a reasonably good awareness and understanding of their particular requirements.
- 3.5 Small businesses (ranging from 10 to 50 or so employees) without dedicated HR professionals seemed to gain the most from the diagnostic and advisory services of WDAs. There was also evidence to suggest that the WDAs improved and professionalised the way businesses specified and procured training without creating an over-dependence on external advice and guidance.
- 3.6 Feedback from businesses on the quality of the service they received from their WDA was very positive with businesses having found the impartial advice on identifying appropriate training providers particularly helpful. WDAs also played a key role in assisting businesses to access financial support to help them meet the costs of training via the WDP discretionary fund and from other skills development programmes and initiatives.
- 3.7 The evaluation found that only a relatively small proportion of supported businesses could recall having received post-training evaluation advice from their WDA and this was a slightly weaker aspect of the service despite it having been a payment milestone for the WDAs themselves. Where follow-up evaluation did occur, feedback showed this to have been a valuable part of the service from a business perspective suggesting it may have been an under prioritised element of the overall support package.
- 3.8 Only a minority of businesses had heard of or used the Skills Hotline service. Those that had used it gave positive feedback about the efficiency of the service and the quality of the advice they received.

### **Effectiveness of application and decision processes**

- 3.9 Feedback from supported businesses on the process of applying for discretionary funding was generally positive in relation to the processes involved and the amount of time taken by Welsh Government to assess and respond to funding applications. The evaluation also found that WDAs had added value to the process of supporting companies with their applications.
- 3.10 There were some exceptions to the positive feedback, notably during a period in autumn 2014 when a spending moratorium was put in place by the Welsh Government. The moratorium had been introduced because of challenges in relation to budget forecasting caused by uncertainty over how much of their approved discretionary funding supported businesses would actually draw down in the final year of the programme.
- 3.11 Both WDAs and supported businesses felt that during the moratorium period, communication from Welsh Government (keeping them informed of the status of their discretionary fund applications) could have been much better. Key learning points were identified from this experience including the need to set more clearly defined start and end dates (of no more than one year) for funded training to take place.
- 3.12 Assessing and processing discretionary fund applications was labour intensive for Welsh Government. The direct application route for micro businesses to the discretionary fund (i.e. without advisory support from a WDA) worked well and was appropriate for the smaller amounts of funding requested.

### **Quality and relevance of training**

- 3.13 The evaluation found that discretionary funding was used by supported businesses to help co-finance an appropriately wide range of general and job specific technical training courses, in-line with the broad and flexible way in which the programme was designed.
- 3.14 Supported businesses rated the quality of the training they had received very highly and the open market approach, allowing companies to select their own training providers worked well. For most businesses (72 percent) the main consideration in selecting their training provider was price.
- 3.15 Some supported businesses and WDAs felt that, particularly towards the end of the programme, there was a lack of flexibility in accommodating requests for changes to company training plans - some of which came about due to factors outside of the control of supported businesses (such as cancellations of some courses by training providers for instance).
- 3.16 Overall, the evaluation found that the training undertaken by supported businesses had been highly relevant which was demonstrated by strong levels of post-training skills utilisation.

### **Additionality of funded training**

- 3.17 The evaluation found that evidence relating to levels of additionality from WDP funded training was reasonably positive. There was complete additionality for 14 percent of businesses (i.e. none of the training would have taken place without WDP support), partial additionality for 68 percent of businesses and no additionality for 16 percent of businesses.
- 3.18 Almost all of the businesses that demonstrated complete additionality (98 percent) said that they could not have afforded to do the training without WDP support while more than three quarters (77 percent) of supported businesses which would only have undertaken some of the training would have undertaken less than half of it without WDP support.

- 3.19 A significant minority (16 percent) of businesses that had been offered discretionary funding did not use any of it. The main reason for non-uptake was being too busy to release staff and training no longer being a priority.

#### **Value and impact of the WDP training**

- 3.20 The evaluation found that WDP training added value to and led to a range of positive impacts on supported businesses with 87 percent stating that it had improved their prospects going forward. Sixty percent of supported businesses felt that WDP training had led to positive impacts on turnover and profitability though the scale of the increases to profit were quite modest (less than a 10 percent increase in profit for 42 percent of businesses).
- 3.21 The evaluation also found evidence of positive outcomes for trainees in relation to willingness to participate and preparedness to take responsibility. Evidence of impacts relating to pay and staff retention levels were also positive but less pronounced.

#### **Future Investment in Training**

- 3.22 The evaluation found that the majority of supported businesses (88 percent) responding to the survey and who had provided training were likely to undertake further training in the next 12 months. Three quarters of these said that their involvement with the WDP made it more likely that they would undertake more training.
- 3.23 The evaluation found evidence of a clear willingness on the part of supported businesses to co-invest their own funds alongside Government in training. Two-thirds of the WDP supported businesses that participated in the evaluation survey envisaged future training being co-financed in this way with most of those (72 percent) expecting their own contribution to the cost of training being between 25 and 50 percent.

## **4. Recommendations**

- 4.1 The final evaluation report makes a series of five recommendations in relation to the design and implementation of future programmes.

#### **Recommendation 1**

- 4.2 The Welsh Government should incorporate some of the key learning points from the WDP programme into the design of future training programmes. In particular, the Welsh Government should take account of the fact that employers have genuinely valued the in-built flexibility of the WDP programme to support a range of practical and relevant training courses whilst using an open market approach to selecting their own training providers.

#### **Recommendation 2**

- 4.3 Whilst it is recognised that budgetary constraints may require different approaches to the design and scale of future skills and workforce development programmes, the Welsh Government should look to continue to combine elements of information, advice and financial support to businesses. There is clear evidence that businesses are prepared to co-invest in training but without some form of financial support from Government, less training will take place and at a slower pace.

### **Recommendation 3**

- 4.4 WDAs have clearly added a substantial amount of value in proactively promoting awareness and up-take of WDP services amongst businesses. However, should the Welsh Government not be in a position to re-commission a workforce development advisory service or network of this nature in future, it should carefully consider how it can retain a proactive dimension to promoting awareness and engagement in training activity in order to avoid the risk of lower participation in future programmes as a result of taking a more passive approach.

### **Recommendation 4**

- 4.5 Should the Welsh Government decide to commission a workforce development advisory service (to take forward some of the functions of the previous WDA network) in the future, it should consider how this service can be targeted for maximum effect and best value. In particular, the Welsh Government should consider (in light of key learning points from the WDP) targeting in-depth diagnostic and advisory aspects of such a service at small businesses while allowing micro enterprises and larger companies (especially ones with in house HR capability) to apply direct for any co-investment based financial support instruments.

### **Recommendation 5**

- 4.6 It is clear that Welsh Government officials have identified and have already implemented a number of process related changes emerging from the challenges of managing the budget and expenditure of the WDP. While this is positive, it is recommended that these lessons, including the need for a clearly specified 'use it or lose it' delivery timeframe in which companies can draw down co-investment funding for training are carried forward and incorporated into the design of future programmes. Senior officials within Welsh Government should ensure that this learning is shared with any new personnel (not previously involved with the WDP) responsible for the design and implementation of new programmes so that important knowledge and experience is not lost. Delivery timeframes should allow companies sufficient time to plan, commission and complete training but should avoid being overly long which might lead to a loss of focus and momentum and could result in financial planning uncertainties for those managing programme expenditure. In this context, it is also recommended that any future skills or workforce development advisory service put in place by the Welsh Government should strongly encourage businesses to submit realistic and achievable training plans.

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

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