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Evaluation of the Sector Priorities Fund Pilot Programme

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

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Glossary of acronyms

CCS	Creative & Cultural Skills, a Sector Skills Council
DCELLS	Department for Children, Education, Lifelong Learning and Skills, a former Department of the Welsh Government
DfES	Department for Education and Skills, Welsh Government
EIF	Employer Investment Fund, a UKCES grant scheme
ESF	The European Social Fund
EU Skills	Energy and Utility Skills, a Sector Skills Council
FE	Further Education
FEI	Further Education Institutions
GDSA	Green Deal Skills Alliance
IMI	The Institute of the Motor Industry, a trade body and Sector Skills Council
LMI	Labour Market Intelligence
SHEA	Safety, Health and Environmental Awareness (an EU Skills product)
SPF	Sector Priorities Fund
SPFP	Sector Priorities Fund Pilot
SSA	Sector Skills Agreement
SSC	Sector Skills Council
SQS	Sector Qualifications Strategy
TMT	Tailor Made Training, the SEMTA pilot project
UKCES	United Kingdom Commission on Employment and Skills
WBL	Work-based learning
WEFO	Welsh European Funding Office

1.0 Introduction

1.1 Aims and Objectives

Old Bell 3 Ltd. working in association with Dateb was appointed by the Welsh Government in July 2011 to undertake an evaluation of the Sector Priorities Fund Pilot (SPFP) Programme.

The SPFP Programme, which began in April 2009, is part-funded by the European Social Fund (ESF) in the West Wales and the Valleys Convergence region. The programme is intended to test out new approaches to meeting employer-led demand for skills, which would be part-funded by employers. It was originally conceived as part of the development of a new approach to funding learning provision in Further Education (FE) set out in Skills that Work for Wales¹ - the Welsh Government strategy for post-16 education and training.

The objectives of the programme as set out in the Business Plan are to:

- ‘...produce Research Studies, Learning and Development Strategies and evaluation reports, in order to provide a stronger evidence base and more detailed Labour Market Intelligence (LMI) to better understand the issues of supply and demand when targeting training to employers, and to inform planning and funding decisions of both Government and training providers.

- ...deliver innovative training support programmes capable of raising and widening the overall skills levels of participants engaged as part of the SPFP Programme... Training support programmes will include:
 - Targeting areas of training delivery new to Wales, be that new qualification delivery or new methods and systems for the delivery of training to participants.
 - Adding value to existing training delivery mechanisms and approaches of training providers, but where further improvements

¹ Skills that Work for Wales: A Skills and Employment Strategy and Action Plan, Welsh Assembly Government, 2008

could be made to release additional benefits to employers, so that the quality and volume of training services can be raised...

- ...provide mechanisms to facilitate the development of sustainable partnerships between SSCs [Sector Skills Councils] and training providers – particularly the FE sector – with a view to ensuring skills interventions targeted at employers become more demand-responsive in the long-term, and are based on the priorities articulated within the SSAs [Sector Skills Agreements] and SQSs [Sector Qualifications Strategies]....
- Provide opportunities to encourage SSC collaboration through the development and delivery of strategic project activity across wider sector footprints², or broader sectoral skills and training issues and, through the evaluation of project outcomes, produce recommendations for future partnership working across SSCs.
- Test the demand for innovative training support programmes targeted at employers... and, through levying an employer cash contribution to training, at the completion of SSC pilot projects, evaluate the conditions and drivers for raising employer investment and engagement in skills development and training to inform the ongoing development of a fees policy.
- Provide guidance to employers in raising their awareness of the ESF Cross-Cutting Themes of environmental sustainability and equal opportunities...
- By the end of the SPFP Programme, deliver a series of activities, either as separate SSC project proposals or integrated as part of collaborative SSC project proposals, to promote equality in employment...³

² 'Footprint' is the term commonly used to describe the scope of individual Sector Skills Councils' coverage in terms of occupations.

³ Sector Priorities Fund Pilot (SPFP) Programme, Business Plan, Welsh European Funding Office (WEFO), pp.11-12.

The programme is funding 14 strategic sector projects, each led by a Sector Skills Council (SSC). SSCs are independent, employer-led organisations which ‘provide a focal point for raising skills in sectors’⁴. At the time the programme was developed, SSCs were licensed by the UK Government and funded by the UK Government and the devolved administrations through the UK Commission for Employment and Skills (UKCES)⁵.

The SPFP projects were originally due to end in December 2011, although one⁶ was granted an extension until the end of March 2012 and a further two⁷ have been extended until the end of July 2012.

Besides the pilot projects themselves, a crucial part of the programme is the role of eight SPFP advocates who facilitate dialogue between SSCs and training providers in order to ensure that training provision is more closely aligned with the needs of employers and that the understanding of these needs is informed by robust and up-to-date evidence and LMI. There are four ‘sector advocates’, each of whom is responsible for a number of SSCs footprints and four ‘Regional Provider Network Advocates’ (regional advocates), who interact with training providers based on specific geographical areas.

The programme as a whole is managed by a dedicated team within the Department for Education and Skills (DfES).

The aim of the evaluation is to assess:

- whether, and to what extent, the Sector Priorities Fund Pilot Programme has developed the capacity and infrastructure to inform future policy and its delivery; and

⁴ UKCES website: <http://www.ukces.org.uk/ourwork/sector-skills-councils>.

⁵ SSCs have undergone significant changes over the last three years, which are briefly considered in Section 2.

⁶ From Plough to Plate: Food and Drink Supply Chain Development led by Lantra.

⁷ Delivering Low Carbon Skills led by Construction Skills and Developing Qualifications Delivery for the Built Environment, the Asset Skills project.

-
- the extent to which the pilot has resulted in an acceptance of a fees policy.

Underneath this aim, there are a number of specific evaluation objectives: these are to:

- assess the effectiveness of the implementation of the Sector Priorities Fund Pilot Programme to date;
- assess the effectiveness of the Sector Priorities Fund Pilot in terms of achieving its targets, objectives and expected outcomes including ESF requirements (cross-cutting themes of equal opportunity and environmental sustainability);
- assess whether there are context-specific aspects – different starting points, sector characteristics, geography and so on – which facilitate or inhibit the transfer of identified good practice across sectors and projects;
- make recommendations, as appropriate, to inform the future development of the pilot projects; and
- make recommendations based on the effectiveness of the pilots to inform the full implementation across Wales.

1.2 Methodology and Work Programme

In line with the aim and objectives set out above, the evaluation is intended principally as an evaluation of the SPFP Programme as a whole, rather than being an evaluation of the 14 individual pilot projects – though inevitably assessing the effectiveness and success of the programme as a whole requires a good understanding and analysis of the strengths and weaknesses of the individual projects. The methodology has been designed to, as far as possible, make use of, and avoid duplication of, the individual project-level evaluations which SSCs are required to commission as part of the programme⁸.

⁸ Nine projects commissioned evaluations, eight of them from external evaluators and one from the research team within the lead SSC. The five projects which were not required to commission evaluations were ones which did not involve any training delivery, in four cases because they were exclusively concerned with research or qualification development and in one case because the project was unable to recruit employers to take part in the project.

It does need to be emphasised from the start that drawing conclusions from a series of projects which are extremely disparate in terms of aims and objectives, size, engagement (or not) with the provision of training and project management arrangements is difficult. To a large extent the only common threads across the projects are that each address a priority area for action in one or more SSCs' Sector Skills Agreement with the Welsh Government and that each is focused on the needs of a particular sector or group of sectors, rather than a particular cohort of individuals within the labour market.

Since the pilot projects are the route through which the programme is operationalised, the original focus of the evaluation was the extent to which the projects, taken collectively, had succeeded in delivering the ambitions set for the programme. However, it became apparent early on that the role of the advocates, although originally conceived as focused principally on facilitating the development and delivery of the pilot projects, has in fact involved significant work outside of the pilot projects. Additional work has, therefore, been undertaken to understand and evaluate this broader role.

The work programme has been undertaken in two phases. The first phase, focusing largely on processes and progress to date was undertaken between August and November 2011 and involved:

- reviewing policy literature and programme documentation;
- receiving internal monitoring data from the SPFP Unit on progress in terms of financial commitments and outturns;
- developing a questioning framework and related research instruments;
- undertaking semi-structured face-to-face interviews with key stakeholders with an overview of the programme and two focus groups with the regional and the sector advocates respectively;
- undertaking semi-structured telephone interviews with non-participating SSCs;
- undertaking packages of fieldwork with each of the 14 SPFP projects and developing internal working papers on each project. This involved:
 - desk research, including reviewing evaluation materials and

-
- research 'products';
 - interviews with the lead SSC for each project and with SSCs involved as partners in the three collaborative projects;
 - interviews with learning providers involved in delivering provision through the 14 projects and with other project partners; and
 - drafting an internal Working Paper for discussion with the Evaluation Steering Group.

The second phase of the work programme, which focused more on outcomes and impact, was undertaken between February and April 2012.

This involved:

- receiving updated internal monitoring data from the SPFP Unit on progress in terms of financial commitments and outturns;
- re-interviewing (either by telephone or face-to-face) key stakeholders with an overview of the programme and the advocates' work;
- undertaking semi-structured telephone interviews with 17 individuals/organisations who were not themselves involved in the pilot projects but who had been assisted in some way by the advocates;
- undertaking further fieldwork with each of the 14 SPFP projects and updating the internal working papers on each project. This involved:
 - further interviews with lead SSCs for each project;
 - reviewing evaluation reports produced in respect of the individual projects and research 'products';
 - a small number of qualitative interviews with employers and employees who had benefited from training provided by seven of the projects⁹; and
- drafting the final report.

Full details of the methodology and work programme can be found in Annex 1.

⁹ In six of the other projects, there was no training delivery: in the seventh, the project evaluators had approached all the employers and the SSC was reluctant to allow us to approach any again, particularly in view of the fact that the training involved was generally 'light-touch'.

1.3 Report structure

In the remainder of this report, we first present our policy and literature review, outlining the context in which the SPFP Programme was developed and has been implemented (chapter 2).

We then turn to the findings from our fieldwork. We consider in turn:

- the rationale for the programme and for the projects (chapter 3);
- the effectiveness of the programme in achieving its targets (chapter 4);
- the effectiveness of the implementation of the programme and the projects (chapter 5);
- the effectiveness of the advocate service (chapter 6);
- the extent to which the programme has achieved the seven objectives set for it (chapter 7); and
- emerging lessons for the future arising from a consideration of what has worked and what has not worked (chapter 8).

Finally, in chapter 9 we present our conclusions and recommendations.

2.0 Policy context and background to the SPFP Programme

2.1 Introduction

In this chapter we first consider the policy context within which the SPFP Programme was developed and has been implemented (section 2.2) and then outline the main features of the programme as outlined in the Business Plan and SPFP Prospectus (section 2.3). Finally, (section 2.4) we provide a brief overview of the 14 approved projects (further detail is contained in annex 2).

2.2 Policy context

The Sector Priorities Fund Pilot (SPFP) Programme has its origins in Skills that Work for Wales, the Welsh Government strategy for post-16 employment, learning and skills, published in July 2008¹⁰.

Skills that Work for Wales launched the proposal to introduce a Sector Priorities Fund, as part of a reconfiguration of the funding of post-16 learning. This fund was intended to come into operation in September 2010 and was intended to:

‘align our investment in adult skills to strategic sector needs, as identified through Sector Skills Agreements, Sector Qualifications Strategies and their action plans’¹¹.

Skills that Work for Wales flagged up the intention to pilot the Sector Priorities Fund from 2008 before the full introduction in 2010. It was anticipated that:

‘around £20 million of our investment in adult skills will be directed through this fund by 2010, rising to £40 million by 2011’¹².

Building on Skills that Work for Wales, a consultation document, Investing in Skills, was published in October 2009¹³.

¹⁰ Skills that Work for Wales: A Skills and Employment Strategy and Action Plan, Welsh Assembly Government, 2008.

¹¹ Ibid., p.54.

¹² Ibid., p. 59.

¹³ Investing in Skills: Sector Priorities Funding, Fees Policy and Financial Support for Learners, Welsh Assembly Government, 2009.

The consultation document referred to the SPFP Programme as a work in progress:

‘A Sector Priorities Fund pilot will provide opportunity to test new and innovative approaches to delivery in the period preceding August 2011¹⁴. The pilot will support projects with Sector Skills Councils working with the provider network and other key partner organisations. The Sector Priorities Fund Pilot Programme is a two year programme supported by European Structural Funds. The pilot programme builds on, and replaces, a number of other funding streams’¹⁵.

However, the consultation paper also signalled a change in thinking with regard to the full Sector Priorities Fund suggesting that funding should be routed through FEIs and ring-fenced to individual FE colleges rather than being top-sliced and distributed through a competitive bidding mechanism, as had originally been envisaged¹⁶.

While the Welsh Government has not published a definitive statement of policy following the Investing in Skills consultation, we understand that the whole concept of the Sector Priorities Fund has not been implemented, having been overtaken by a decision by Ministers to ‘pause’ the current National Planning and Funding System, while conducting a fundamental review of the funding of post-16 learning¹⁷.

At the same time, broader Welsh Government policy has become more focused on sectoral approaches to economic development. The Economic Renewal Programme (ERP), issued by the coalition Government in July

¹⁴ This signalled that there had been some slippage from the original intention to introduce the full SPFP Programme from September 2010.

¹⁵ ‘At the level of each further education college a proportion of Welsh Assembly Government funding will be reserved or ‘ring-fenced’ exclusively for the purpose of delivering specific vocational learning. This reserved funding will be known as the ‘Sector Priorities Fund (FE)’. Ring-fenced funding will be the same proportion of current post-18 spend for each FE’. Investing in Skills, p. 11. Welsh Government 2010

¹⁶ Ibid., p. 10.

¹⁷ Welsh Government Press Release, 4 February 2011.

2010¹⁸ signalled a major shift in approach towards business support, with a stronger focus on enabling measures (including working with business to raise skills), a withdrawal from generic business support and a focus on six key sectors¹⁹. The ERP flagged up the intention to establish sector panels for each of these sectors which:

‘will be made up of a small number of business people with expertise and an established reputation in their sector [and] will provide advice to Ministers on the opportunities and needs of the different sectors, helping us to develop and implement our policies through **three year sector plans**²⁰.

While the Labour Welsh Government elected in the National Assembly elections in May 2011 does not explicitly refer to sectors in its Programme for Government²¹, the Minister for Enterprise and Business announced on 22 September 2011 that she was adding three new priority sectors to the six already identified, namely tourism, food and farming, and construction²². Sector Panels for all nine sectors have now been established.

As noted in section 1.1, SSCs are UK-wide bodies. As such, the UK Government has a major influence on the environment within which SSCs work. The election of a new coalition UK Government in May 2010, and the subsequent cuts in public expenditure, have led to very significant changes in the policy and funding context for SSCs, with the withdrawal of core funding and the introduction of a contestable approach to funding sector-based skills development²³.

¹⁸ Economic Renewal: a new direction, Welsh Assembly Government, July 2010, p.40.

¹⁹ ICT, Energy and Environment, Advanced Materials and Manufacturing, Creative Industries, Life Sciences, and Financial and Professional services.

²⁰ Ibid., p. 40 (emphasis in the original text).

²¹ Programme for Government, 2011-2016, Welsh Government, September 2011.

²² Welsh Government Press Release, 22 September 2011. See <http://wales.gov.uk/newsroom/businessandconomy/2011/110922sectors/?lang=en>

²³ Skills for Sustainable Growth, UK Government, October 2010, p. 24.

2.3 The SPFP Programme

2.3.1 Aims and Objectives of the Programme

Following the publication of Skills that Work for Wales, the then Department for Children, Education, Lifelong Learning and Skills (DCELLS) – now DfES – took the decision to seek ESF support for a pilot programme to test out the approach intended to be taken by the Sector Priorities Fund. It consulted with the SSCs and the FE sector on the shape that such a programme should take.

A SPFP Programme business plan was thus developed seeking funding for activity in the Convergence area of West Wales and the Valleys under Priority 3 Theme 2 of the ESF Operational Programme - Skills for the Knowledge Economy: Higher Level Skills and Systems for Workforce Development.

The business plan submitted to the Welsh European Funding Office (WEFO) in late 2008, envisaged a programme running from April 2009 – December 2011. The plan made clear that the programme would cover the whole of Wales but that funding from the ESF would only assist activities taking place within the convergence area of West Wales and the Valleys.

Following the approval of the project by WEFO in mid 2009, a prospectus was made available to SSCs in September 2009.

Besides setting out the aims and objectives for the programme²⁴, the business plan explains that the purpose of the programme is to:

‘pilot activity with SSCs which will inform and effect a smooth transition to the longer-term proposals for a Sector Priorities Fund from 2011 onwards. It will therefore enable the development of a new approach to delivering more employer-responsive skills provision on a phased basis, without destabilising current provision, and thereby maximising

²⁴ See section 1.1. above

sustainability of relevant and successful activity post-2011’²⁵.

Key additional benefits of the programme are anticipated to be:

- Strengthened partnership working between SSCs and training providers;
- Greater collaborative working between SSCs;
- The opportunity to test employer attitudes towards investing in skills, as projects which involved training delivery are intended to levy a financial contribution from participating employers²⁶.

The prospectus also emphasises that the SPFP Programme builds on previous initiatives designed to support sectoral approaches to skills such as the Skills Development Fund and the Step Up Sector Fund²⁷.

2.3.2 SPFP Projects

The business plan makes it clear that funding will be channelled exclusively through SSCs:

‘SSC pilot projects delivered under the SPFP Programme will be developed through a Closed Grant Scheme with SSCs. This is due to their unique expertise and positioning as the UK-wide, and Government licensed, independent employer-led organisations’²⁸.

Utilising SSCs is seen as a way of ensuring that projects are truly driven by employer demand, with training provision itself procured through competitive tendering by the SSCs²⁹.

The programme is seen as an opportunity to introduce a more coherent and less piecemeal approach to funding SSC projects which bring forward training provision attuned to employers’ needs³⁰. It is also seen specifically as a way

²⁵ The SPFP Business Plan V5 , p.5

²⁶ Ibid., pp. 9-10

²⁷ The SPFP Programme Prospectus and Handbook, p.2

²⁸ The SPFP Business Plan V5, p.34

²⁹ Ibid., p. 35

³⁰ Ibid., p. 34

of strengthening the role of SSCs, within the broader context set out in Skills that Work for Wales:

‘By positioning SSCs as the key driver behind the SPFP Programme, it is anticipated that project delivery by SSCs will allow them to add value to their existing capacities in Wales’³¹.

At the same time, the business plan recognises that SSC capacity is a significant risk for the programme because

‘SSC resource in Wales often translates to a single member of staff, however substantial additional resource is available to Welsh Managers via SSC HQ operations. In this respect, the likelihood of SSCs not having the capacity to deliver projects is substantially reduced’³².

The business plan sets out three areas of eligible project activity within the programme:

- ‘1. To commission research studies capable of providing the evidence base on which to influence and inform recommendations for the 2011 Sector Priorities Funding and Fees Policy articulated in “*Skills that Work for Wales*”....
2. To pilot new and innovative delivery approaches and methodologies capable of supplying project outcomes to further contextualise the evidence base on which to inform the 2011 Sector Priorities Funding and Fees Policy and influence policy and delivery systems to enable post-16 mainstream programmes to become more demand-responsive. Pilot projects will aim to meet current and future employer demand for skills development and training through developing and formalising partnerships between SSCs and training providers (particularly the FE sector)...
3. To pilot projects aimed at developing and building capacity and adding value to existing delivery approaches and methodologies to further contextualise the evidence base on which to inform the 2011

³¹ Ibid., p. 63

³² Ibid., p. 73

Sector Priorities Funding and influence policy and delivery systems to enable post-16 mainstream programmes to become more demand-responsive. Pilot projects will aim to meet current and future employer demand for skills development and training through developing and formalising partnerships between SSCs and training providers (particularly the FE sector)³³.

Funding is expected to be split in a ratio of 20: 50: 30 between these three themes, though individual projects may deliver against 'one or all'. Employers are expected to make a cash contribution to projects under the second and third themes (though, in line with national policy, this does not apply to apprenticeships).

The prospectus also places a strong emphasis on the importance of SSCs working with learning providers:

'Another critical stakeholder group is the provider network in Wales... The SPFP Programme is built on the principle of establishing greater partnership working, and it is therefore critical all stakeholder groups work to this mantra. SSCs should ensure project proposals nurture partnership development to ensure an appropriate balance of stakeholder involvement across the SPFP Programme'³⁴.

Basic Skills training and training related to leadership and management are specifically excluded from the scope of the programme, since these areas are seen as being covered by other major DCELLS ESF projects³⁵. The business plan also identifies the risk of displacement from apprenticeship schemes and specifies that:

'only new Apprenticeship frameworks or delivery approaches are eligible for support under the SPFP Programme'³⁶.

At the time the prospectus was written, it was anticipated that projects

³³ Ibid., p. 40

³⁴ The SPFP Programme Prospectus and Handbook, p. 11.

³⁵ Ibid., p. 13.

³⁶ The SPFP Business Plan V5, p.30.

themselves would be taken forward after the pilot phase, where relevant, through the new funding arrangements introduced with the Sector Priorities Fund:

‘The pilot projects delivered by SSCs under the SPFP Programme will have the opportunity to be mainstreamed as part of the 2011 Sector Priorities Fund, subject to their evaluation. That is, pilot project activity capable of being supported in the long-term could be funded through a more substantial funding allocation via the ring-fenced budget to be made available within the 2011 Sector Priorities Fund’³⁷.

In terms of the application process, the prospectus explains that there will be a rolling programme of assessments, with projects being assessed in the month following submission³⁸. The prospectus also sets out in detail the project assessment criteria. In summary these include:

- strategic fit with the programme;
- evidence of need underpinned by a robust evidence base;
- value contribution, displacement and innovation;
- reliable and sufficient delivery plans;
- organisation competence and capacity to deliver;
- achieving the exit strategy and sustainability plans; and
- compliance and governance³⁹.

There is also strong encouragement within the prospectus for all activity from any one SSC to be brigaded under one project.

2.3.3. Governance, staffing and advocates

In addition to the specific project activities, the business plan makes clear the intention to use ESF funding to support a small SPFP Programme Unit, consisting of a Senior Programme Manager and four other staff within the then DCELLS⁴⁰.

³⁷ Ibid., p.80.

³⁸ The SPFP Programme Prospectus and Handbook, p.20.

³⁹ Ibid., p.22.

⁴⁰ The SPFP Business Plan V5, Annex F.

The programme is also expected to fund a:

‘team of advocates who will be responsible for brokering this dialogue between SSCs and training providers in order to ensure that pilot activity (and thereby future post-project activity) is based on meaningful and comprehensive discussion using a combination of intelligence obtained at a national sector level (from SSCs) and at a local network level (from providers)’⁴¹.

The business plan envisages that the advocate team would consist of 11 full-time equivalent positions, seven of which would be ‘sector advocates’ and four of which would be ‘Provider Network Advocates’ (subsequently known as regional advocates). In the event, however, there were only successful bids from three organisations to provide four regional advocates.

The role of the advocate team is seen as facilitating the development (and in the case of the sector advocates, where required, the project management) of projects funded by the programme, publicising the projects and the programme more widely, and facilitating greater partnership working between SSCs and learning providers⁴².

Contracts for the advocates were originally let for the period from January 2011 to March 2012 (though subsequently extended to October 2012) with the following organisations having successfully tendered for providing the service:

- Alliance of Sector Skills Councils: two sector advocates;
- National Training Federation for Wales: two regional advocates;
- Glyndwr University: one sector and one regional advocate;
- Gower College: one regional advocate; and
- Impact Consultants: one sector advocate⁴³.

2.3.4. Cross-cutting themes

⁴¹ Ibid., p.9.

⁴² Ibid., Annex D.

⁴³ Source: Information from fieldwork interviews.

As an ESF funded project, the programme is obliged to demonstrate that it is promoting the two cross-cutting themes of the ESF Convergence Programme, namely equal opportunities and environmental sustainability.

As part of this, the business plan states that:

- all suppliers and delivery partners would have their equal opportunities policies assessed by the SPFP Programme management team⁴⁴;
- all delivery organisations and suppliers (including training providers but not employers) involved in the programme would be required to participate in the Green Dragon environmental assessment process⁴⁵;
- employers would be signposted by the programme to the Green Dragon Standard and to services available from Groundwork Wales⁴⁶;
- the programme would develop its own Environment Sustainability Code⁴⁷; and
- the programme would support at least four projects which included 'specialist training in sustainable development'⁴⁸.

2.3.5 Funding and indicators

The business plan states that the anticipated spend over the lifetime of the SPFP Programme until the 31 December 2011 would be £5.84 million (although this applies only to the programme within the Convergence area). This would comprise ESF funding of £2.8 million, Welsh Government funding of £2.04 million and private matched funding of £1 million.

The prospectus, however, suggests that the budget envisaged in the business plan has been reduced, with the budget for the Convergence area being £4.3 million (consisting of £1.9 million ESF, £1.4 million Welsh Government funding and an estimated £1 million of private matched funding). In addition, the prospectus suggests a further £2.8 million (consisting of £2.1 million of Welsh Government funding and £0.7 million of employers contributions) will be

⁴⁴ Ibid., p.19.

⁴⁵ Ibid., p.22.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid., p.12.

available in East Wales, making a total budget of £7.1 million⁴⁹.

The private matched funding is expected to come from employer contributions towards the costs of training: SMEs are expected to contribute 30% towards the cost of the training and other employers 50%.

The targets set for the programme are set out in table 2.1 over.

2.4 The SPFP Projects

In all, 14 projects have been approved under the SPFP Programme. Table 2.2 below provides some brief information on the **original** budget, targets and activities funded under each project, drawing on the contracts signed with lead SSCs. It should be noted, in many cases targets and budgets have been revised since the original grant offers were made. Further information on the design and implementation of each of the projects is contained in annex 2.

⁴⁹ Operational budgets are in practice somewhat higher, however, with the total budget being set at anticipated spend being £8.754 million of which £2.484 million is ESF and £1.064 million is employers contributions. The Convergence budget is £5.247 million and the East Wales budget £3.0507million. These budgets allow for an over-commitment of resources of 20% compared to the Business Plan, in order to provide for anticipated underspend on approved projects.

Table 2.1: Targets as laid out in the prospectus

Target	Number – Convergence area	Number – All Wales
Outputs		
Employers assisted or financially supported	640	1067
Total participants (employed)	2410	4017
Participants gaining qualifications (employed)	1770	2950
Participants accessing Level 2 training	626	1043
Participants accessing Level 3 training	707	1178
Participants accessing Level 4 training	437	728
Older participants	771	1285
BME participants	313	522
Female participants	1687	2812
Research Studies	17 ⁵⁰	17
Learning and development strategies	8	8
Projects delivering specialist training in sustainable development	4	4
Results		
Women attaining qualifications at Level 2	416	693
Older participants attaining qualifications at Level 2	190	317
BME participants attaining qualifications at Level 2	77	128
Women attaining qualifications at Level 3	469	782
Older participants attaining qualifications at Level 3	215	358
BME participants attaining qualifications at Level 3	87	145
Women attaining qualifications at Level 4	290	483
Older participants attaining qualifications at Level 4	132	220
BME participants attaining qualifications at Level 4	54	90
Participants entering further learning	354	590
Employer BME participants	177	295
Employers adopting or improving equality and diversity strategies and monitoring systems	160	267
Impacts⁵¹		
Skills level of employment	N/A	N/A
Pay level of employment	N/A	N/A
Participants gaining part qualifications	N/A	N/A
Additional impacts under each SSC project	N/A	N/A

Source: SPFP Prospectus

⁵⁰ The prospectus also contains (higher) all Wales figures for research studies, learning and development strategies and projects involving sustainable development training, but the programme management team argued this was an error, as the expectation was that any such outputs were likely to cover the whole of Wales.

⁵¹ No figures are given for these indicators in line with the Operational Programme.

Table 2.2: SPFP projects

Project	Lead SSC	Budget	Key Targets	Activities
Creative & Cultural Skill Apprenticeships	Creative and Cultural Skills	£539,680	35 employers assisted 50 participants 30 participants accessing Level 2 20 participants accessing Level 3 50 participants achieving qualifications 25 participants entering further learning	Developing and delivering five new apprenticeship pathways in the creative and cultural sector, including mentoring support to employers in order to test demand and commercial viability.
Network of Retail Skills Shops in Wales	Skillsmart Retail	£222,751	6 Skills Shops engaged 170 employers engaged through research 200 employers engaged with the Location Model	'Starting the process of establishing a Network' of 'physical and virtual Retail Skills Shops' in Wales drawing on experience in England. This involves mapping existing Skills Shops and their current employer engagement, identifying new potential locations for Skills Shops using the Location Model to carry out research in specific towns/cities, and developing a sustainable network of Skills Shops linked to Skillsmart's National Skills Academy.
Developing Qualifications Delivery for the Built Environment	Asset Skills	£943,951	48 employers assisted 230 participants 141 participants achieving qualifications 58 participants entering further learning	Developing a range of Level 2 and Level 3 Apprenticeship frameworks across a range of pathways within Facilities Management
Implementing the Gold Standard for Wales	Cogent	£452,445	20 employers assisted 100 participants 30 participants accessing Level 2 40 participants accessing Level 3 30 participants accessing Level 4 35 participants achieving qualifications	Rolling out Cogent's 'Gold Standard' (a diagnostic approach to analysing workforce skills needs and meeting these needs from a broad based menu of qualifications) to the Petroleum and Pharmaceutical sub-sectors of Cogent's footprint in Wales (focusing on Pembrokeshire and South East Wales respectively).

Maintaining Competitiveness in Emerging Technologies	Institute of the Motor Industry	£161,500	80 employers assisted 150 participants 135 participants achieving qualifications 15 participants entering further learning	Enabling employers in the automotive maintenance and repair sector to develop Level 3 technical skills in emerging technologies, notably in climate control systems and hybrid vehicles.
Developing an Excellence Network for Hospitality Provision	People 1st	£860,375	406 employers assisted 2,029 participants 1,511 participants achieving qualifications	'Building supply-side capacity and capability to deliver on the skills issues relevant to the hospitality and tourism sector in Wales', though six work streams, including establishing a world class customer service training programme, a shared apprenticeship programme, an advanced qualification for chefs ('Triple A'), learning resources related to using local produce, an Educators Learning Programme and researching careers pathways for chefs.
Creative and Digital Media Apprenticeships	Skillset	£166,812	10 employers assisted 60 participants 60 participants achieving qualifications	Offering a work-based Apprenticeship programme in Wales for the first time in the sector.
Women and Work Upskilling and Waste Management Health and Safety Passport	EU Skills	£521,818	35 employers assisted 460 participants 4 participants entering further learning	Involving two separate sub-projects, one piloting the development and delivery of a suite of training courses to support women working in the energy and utilities sector and thus to counteract gender imbalance in the sector and the second rolling out the Waste Management Health and Safety Training and Registration Scheme (SHEA) in Wales, based around a one day Health and Safety course tailored to the needs of the waste management industry, leading to the award of a SHEA 'passport'.
Tailor Made Training	SEMTA	£1,276,000	700 participants 500 participants achieving qualifications 49 participants entering further learning 11 research studies	The creation of a virtual manufacturing skills academy through a network of training providers with specific expertise in manufacturing to provide customised training packages to employers on the basis of a diagnostic process analysing their workforce development needs

From Plough to Plate – Food and Drink Supply Chain Development	Lantra	£781,000	3,000 participants 1 research study	Increasing labour market intelligence about the food and drink supply chain by i) analysing existing sectoral LMI; ii) undertaking primary research to assess employers' demand for, and current supply of, training provision; and iii) developing and piloting new training provision to fill identified gaps between demand and supply.
Future Proofing the Digital Economy in Wales	Skillset	£65,000	1 research study	Undertaking research that explores in-depth the future skills challenges facing the 'digital content' sector in Wales (Creative Media, comprising TV, Radio, Film, Animation, Commercials, Pop Promos, Corporate Production, Facilities, Content for Computer Games and Interactive Content Design and Advertising).
Delivering Low Carbon Skills	Construction Skills	£2,007,627	160 employers assisted 940 participants 840 participants achieving qualifications 840 participants entering further learning 1 research study	A collaborative project consisting of four separate programme streams, each developed and run by an individual SSC: Construction Skills: developing and delivering a range of new training provision related to low carbon construction technologies Asset Skills: developing and piloting new qualifications for Home Energy Managers/Advisers and Commercial Energy Managers/Advisers; Summit Skills: building the capacity and facilities of training providers address 11 environmental technologies relevant to the Building Services engineering sector; and EU Skills: building supply-side capacity and capability to provide the built environment sector workforce with skills training and development relevant to achieving a low carbon economy for Wales, including a wind turbine maintenance apprenticeship.
Research to Inform Transformational Change in Construction Skills Provision	Construction Skills	£80,335	1 research study	Identifying the present and future employer skills demand for the construction sector and the most cost efficient manner of plugging the gaps in construction provision.
Playwork Qualification Level 3	SkillsActive	£313,499	40 employers assisted	Developing 'the Award, Certificate and Diploma 'Playwork Principles into Practice' qualifications (P ³) at Level 3 by the end of 2011 for the primary target audience of the playwork and childcare sectors'.

3.0 Findings: rationale for the programme and projects

3.1 Introduction

Before turning to consider some of the findings which relate to the specific objectives of the evaluation, we consider the evidence from our literature review and our fieldwork regarding the rationale for the programme as a whole (section 3.2) and the rationale, design and ‘fit’ of the individual projects with the programme (section 3.3). We also briefly consider the reasons why some SSCs chose not to participate in the programme (section 3.4).

3.2 Programme rationale

We have already highlighted in chapter 2, that while the SPFP Programme started as a pilot for what was intended to be a wholly new Sector Priorities Fund, which would have provided a natural vehicle for mainstreaming successful projects, any plans for this fund have now been paused pending the fundamental review of the funding of post-16 learning. Although SSCs are in a unique position, as employer-led bodies licensed by Government, to deliver sectoral initiatives, this change in the policy context arguably weakens the logic of channelling funding for sector initiatives *on a pilot basis* through a closed SSC grant scheme, since this approach cannot be replicated to deliver any provision for which demand is demonstrated in the longer-term or on a larger scale.

At the same time, the requirement (as a result of WEFO guidance in respect of ESF) for SSCs to use public procurement to source partners to deliver any training funded from the programme, arguably cuts across any move to nurture longer-term, more organic, partnerships between SSCs and providers – which was again originally part of the rationale for the pilot. The need to develop such partnerships is arguably even more important in the new context where SSCs continue to lack financial levers to ensure successful pilots are mainstreamed and are, rather, reliant on FEIs and private training providers choosing to prioritise provision piloted through the programme for funding which they themselves largely control (through core budgets or work-based

learning [WBL] contracts with the Welsh Government⁵²).

In our view, these two factors, taken together mean that the original rationale for the programme has been somewhat undermined, making it more difficult to fulfil the ambitions set out in the business plan for ensuring that successful pilots can be mainstreamed.

However, only a minority of SSC interviewees argued that the programme's logic had been undermined by this change in context: SSC interviewees are more likely to see the pilots as an opportunity to take forward the priorities set out in their SSAs rather than a 'pilot' in the true sense of the word. Evidence obtained from the learning provider interviewees (who were mostly heads of department, rather than senior managers) suggests that they are generally unaware of the origins of the SPFP Programme.

Perhaps unsurprisingly, stakeholders in the Welsh Government are more likely to draw attention to the problems caused by changes in policy regarding funding of sector skills initiatives. Even here however, there is also a tendency to stress that the programme was intended as a successor to previous sector-specific skills funding and as a way of being able to meet a broader demand (not least from emerging Sector Panels) for sector-focused initiatives (whether or not truly 'pilots').

More generally, many interviewees show strong support for the concept of the programme as a way of responding to employer demand (to 'improve learning provision based on employer needs', as one SSC put it). This finding is perhaps unsurprising as most interviewees were either from SSCs or from staff within DfES working specifically on sectoral policy. It was widely argued, much in keeping with the analysis which gave rise to the SPF concept in the first place, that mainstream provision, particularly from the FE sector is insufficiently attuned to employers' needs, not least in terms of methods of delivery.

⁵² WBL contracts are awarded through competitive tender and do not guarantee funding, but providers themselves have a degree of discretion over which sectoral Apprenticeship Frameworks they chose to bid to deliver.

A small number of interviewees also stressed that it has been important that the programme has been run as a SSC closed grant scheme: had the scheme been more competitive by being open to other potential sponsors (for example, other employer-led organisations), it was argued, SSCs might well not have chosen to put forward projects, given the limited resources at the disposal of many (though not all) SSCs within Wales.

At the same time, some interviewees argued that ring-fencing funding from the programme to SSCs may have lessened the interest in, and attention of, learning providers, particularly once it became obvious that the ‘threat’ of a top-sliced SPF had been removed. Indeed, one FEI which has taken a strong interest in the programme said that this was originally based on the view that it was essential to engage in order to be in a strong position if, and when, mainstream funding was routed through SSCs or other employer bodies.

3.3 Project rationale, design and ‘fit’

The ‘core themes’ of the SPFP as set out in the prospectus are quite broad, leaving considerable scope for SSCs to bring forward a very wide range of different interventions.

In practice, the 14 projects approved are designed to involve a wide range of different approaches and provision including:

- improving sectoral LMI and provider mapping⁵³;
- the development and piloting of new apprenticeship schemes⁵⁴;
- applying a company specific diagnostic with associated training⁵⁵;
- rolling out ‘proprietary’ SSC approaches to meeting skills needs in Wales⁵⁶;
- specific training to meet niche employer demand⁵⁷;
- delivering elements of training the trainer or Continuing Professional Development (CPD) for learning provider staff⁵⁸; and

⁵³ Skillset, Food and Drink, Construction Skills, and Low Carbon.

⁵⁴ Skillset, Creative & Cultural Skills, Asset Skills, and People 1st.

⁵⁵ Cogent and SEMTA..

⁵⁶ Cogent, Skillsmart Retail, and People 1st.

⁵⁷ Low Carbon, EU Skills, People 1st, and IMI.

⁵⁸ EU Skills, People 1st, and Low Carbon.

-
- scoping and designing new qualifications or qualification frameworks to fill gaps in current provision⁵⁹.

Despite this variety, all of the interventions proposed as part of the 14 projects appear to fit reasonably well with the framework of the programme. In some instances, however, for example, the SkillsActive project to develop a new level 3 Playwork Qualification, it might be argued that the project might have been expected to be funded by the SSC as part of its core remit and does not fit particularly well with any of the three priorities set out in the prospectus.

However, it is clear from our fieldwork that although most projects fit reasonably well with the design of the SPFP as a programme and the broader policy framework spelt out in Skills that Work for Wales, few have evolved in specific response to the opportunity offered by the SPFP. This is perhaps not surprising given that SSCs are UK-wide organisations and that the prospectus encourages them to develop projects linked to their Sector Skills Agreements or Sector Qualification Strategies.

In almost all cases, the projects represent established priorities of the SSC or SSCs concerned, in many cases taking forward approaches which have already been implemented in other parts of the UK. This is true, for example, of

- both the Skillset and the Creative and Cultural Skills (CCS) Apprenticeships;
- the Skillsmart Retail project, using the location model approach as a way of stimulating the development of ‘Skills Shops’;
- the Cogent Gold Standard;
- both elements of the EU Skills project; and
- the main Welcome Host element of the People 1st project.

This does not mean the projects are not evidence-based: on the contrary, in general terms, these projects reflect priorities flagged up in their SSAs and SQSs on the basis of LMI research undertaken with employers (albeit often

⁵⁹ SkillsActive, Lantra, Low Carbon.

UK-wide). The fact that some 'products' such as the CCS Apprenticeships and the Cogent Gold Standard have already been implemented in England is also, of course, evidence that they have an appeal to employers within the respective sectors.

Similarly, the research projects generally reflect established priorities for the SSCs concerned. This is shown by the eventual focus of the Construction Skills' study on the National Construction College, which reflects a strong emphasis in its SSA, while the Food and Drink study builds on a history of engagement between the partner SSCs in the context of a Skills Sub-Group of the Food and Drink Advisory Board. The SkillsActive project emerged from a long-established ambition not of the SSC but of its key partner, Play Wales.

A number of the projects are also clearly 'portmanteau' projects, representing a rather artificial linking of several different elements, perhaps reflecting the guidance given to SSCs that they were unlikely to be awarded more than one project. This is the case, for example, with the projects put forward by EU Skills (with two separate elements), People 1st (effectively comprising of six separate 'mini projects') and Asset Skills (which contain a range of learning pathways at both level 2 and level 3 across all parts of its footprint). In our view, some of these, most notably the People 1st project, lack internal coherence which has made the task of project managing them (both by the SSC and as part of the programme) more challenging.

The Low Carbon project represents an aggregation of ideas from different SSCs under a fairly large umbrella, and for this reason again, in our view, lacks internal coherence. In this case, however, interviewees both from the SSCs concerned and other stakeholders suggested that the Welsh Government played a key role in encouraging the development of this project, which fits well with the wider Welsh Government ambition to transform Wales into a low carbon economy and the specific undertaking to WEFO that the programme will fund at least four projects which involved training in skills relevant to environmental sustainability.

More generally, some of the projects are clearly ambitious, even over-ambitious in what they set out to achieve – although to some extent this may partly be the result of timescales which were always likely to be short, with the business plan suggesting projects would run from April 2009 to December 2011, but which in reality have been much shorter, with most projects approved only in the second half of 2010.

In this context, it is interesting that the lead SSC for one of the larger projects said that had he been aware of the delays in getting the project approved, he would have been forced to ‘rethink the size and scale of the project and start all over again’. In contrast to this, another SSC did not proceed with an original project plan to bring forward an apprenticeship scheme because it became obvious that timescales were too tight.

Similarly, a common theme from those involved with the apprenticeship projects – whether as SSCs or as employers or employees – is that the timescale for undertaking the learning has been too short, particularly in comparison with other mainstream apprenticeship schemes: thus, one trainee under the Asset Skills project, though generally very positive about the training said that he is ‘100% sure the timescale was too short’, saying that his cohort has done in 11 months what was intended to be an 18 month learning programme.

The issue of unrealistic expectations in combination with short timescales has also affected two of the larger collaborative projects, the Food and Drink and Low Carbon projects. In each of these, the intention was to first undertake labour market research which would then inform and shape the learning provision to be delivered later in the project. However, in both cases, this has proved impractical because of a range of factors both internal and external to the projects. In the case of the Food and Drink project, a decision was taken by the Welsh Government mid-way through the project to reduce the funding and instruct the SSCs not to progress the training delivery elements as it was clearly going to be impractical to move into this phase within the remaining time available. In the case of the Low Carbon skills project, three important

research reports about the supply of, and demand for, low carbon training have been produced in parallel with the delivery of different training programmes on an experimental basis.

3.4 Reasons for non-participation

Finally, in terms of non-participating SSCs, the limited evidence from our fieldwork suggests that there were two main reasons for SSCs either choosing not to, or not being able to, submit pilot project proposals.

The first of these is to do with the exclusion of the public sector workforce from all ESF funding, which was clearly flagged up in the prospectus. Obviously, this deterred some SSCs whose footprint was largely within the public sector (such as Skills for Health) from seeking to develop applications.

The second was the lack of capacity within some SSCs in Wales. In one case for example, an SSC decided that it was impractical to apply given the fact that their one member of staff in Wales was at the time on long-term sick leave, while in another, the Wales manager felt that the opportunity costs of applying for funding outweighed the potential benefits.

4.0 Findings: the effectiveness of the programme in achieving its targets

4.1 Introduction

In this chapter we consider the effectiveness of the programme in achieving its targets, including the extent to which it has succeeded in utilising the resources allocated to it. The reasons for under – and over-performance are explored in subsequent chapters of the report.

The analysis is based on data provided by the SPFP Unit in late April 2012. It is important to note this data is not definitive:

- in terms of spend, two of the 14 projects⁶⁰ are, at this stage, still operational, meaning that final outturns are not known. Moreover, in the case of four other projects⁶¹, there remains a gap between the expenditure defrayed and the forecast final outturn, which is accounted for by delays in SSCs submitting claims;
- in terms of outputs, there has been some delay in entering data on participants and employers assisted onto the European Data Management System (EDMS), meaning that there is in some cases a significant gap between the numbers recorded as ‘achieved’ and the forecast final outturn: since, with the exception of the two projects still operating, the remaining projects have submitted the relevant data, the forecasts here are believed to be generally reliable;
- in the case of targets relating to entries into further learning and qualifications achieved there is a larger gap between the actual achieved and the forecast, which partly reflects delays in data entry but which may also reflect the fact that there are time-lags in collecting such data.

It is also important to stress that, in line with good project management practice, there has been some re-profiling during the lifetime of the programme. Thus, there has been some reallocation of resources both within

⁶⁰ Low Carbon and Asset Skills

⁶¹ Construction Skills, Lantra, People 1st and the Skillset apprenticeship

and between projects, with a number of projects (such as the Food and Drink project and the SEMTA led project, Tailor Made Training,) having budgets reduced to reflect changing expectations of what could realistically be achieved within the timescales set by the project. By contrast, budgets (and output targets) have been increased for the Asset Skills and the Skillsmart Retail project, as it became clear that they have the capacity to deliver more than originally planned.

4.2 Financial performance

Table 4.1 below shows the forecast final outturn across all 14 projects.

In total, it is anticipated that a little over two-thirds of the funding allocated to the 14 projects will have been spent, with £5.74 million having been defrayed against a total of £8.48 million. Of this, £4.35 million has already been certified as of 23 April 2012. The £5.74 million represents around 81% of the total spend envisaged in the prospectus⁶².

As will be seen, the pattern varies considerably between individual projects, with outturn⁶³ compared to budget varying from around a third in the case of the Cogent and EU Skills projects to over a 100% in the case of the two projects where budgets were increased mid-way through the programme. Excluding these two projects, the average outturn across the other 12 projects is expected to be 58% of the original allocation. Three of the four largest projects, (Low Carbon Skills, the SEMTA and People 1st projects) are amongst those with the largest underspends in relative as well as absolute terms. It is also the case that within these larger projects, notably the Low Carbon and People 1st projects, there has been a significant variation between the proportion of spend achieved by the individual strands or sub-projects. In the case of the Low Carbon project, for example, a strand on environmental technologies, led by Summit Skills, have failed to get off

⁶² As noted on p.20 above, there was an over-commitment of 20% to approved projects compared to the programme budget to take account of underspends forecast by the SPFP delivery team.

⁶³ An outturn is the actual amounts, results etc at the end of a period of activity, rather than those that were expected or calculated earlier (Financial Times Lexicon).

Table 4.1: Anticipated final outturn against budget

Approved Projects	Original Commitment			Latest Forecast Final Expenditure			%age of Approval
	Public	Employer	Total	Public	Employer	Total	
SSC							
Creative & Cultural Skills	534,813	3,000	537,813	502,068	3,000	505,068	93.91%
Skillsmart Retail	222,751	0	222,751	273,538	0	273,538	122.80%
Asset Skills	836,251	107,700	943,951	1,182,770	11,928	1,194,698	126.56%
Cogent	362,445	90,000	452,445	143,280	0	143,280	31.67%
The Institute of the Motor Industry	113,050	48,450	161,500	73,755	23,256	97,011	60.07%
People 1 st	828,144	32,231	860,375	376,175	18,956	395,131	45.93%
Skillset Apprenticeships	256,812	0	256,812	228,817	0	228,817	89.10%
Energy & Utility Skills	422,068	99,750	521,818	160,185	14,070	174,255	33.39%
Semta	811,000	465,000	1,276,000	509,856	141,628	651,484	51.06%
Food Supply Chain (Lantra)	780,129	0	780,129	524,318	0	524,318	67.21%
Skillset Research	65,000	0	65,000	65,000	0	65,000	100.00%
Low Carbon Bid (Construction Skills)	1,704,768	302,499	2,007,267	1,015,629	174,122	1,189,751	59.27%
Construction Skills	80,335	0	80,335	54,211	0	54,211	67.48%
SkillsActive	313,499	0	313,499	244,983	0	244,983	78.14%
Total	7,331,065	1,148,630	8,479,695	5,354,585	386,960	5,741,545	67.77%

Source: SPFP Unit monitoring data

the ground, whereas other strands led by EU Skills generally have utilised all the funding allocated. Similarly, with the People 1st project, some elements (notably a Shared Apprenticeship scheme) have failed to take place at all.

Performance has been particularly disappointing in terms of leveraging in employer financial contributions. In total, it is forecast that just under £400,000 of employers' contributions will have been made. This is only a third of what was anticipated when projects were approved and means that employers' contributions will have accounted for less than 7% of overall project costs compared to 14% envisaged at the time the projects were approved. This, in turn, was below the proportion envisaged in the business plan (around 17%) and the prospectus (around 24%)⁶⁴. Moreover, only in three projects (SEMTA, Low Carbon and IMI) have employer contributions met more than 10% of the project costs and in one of these (Low Carbon Skills, which accounts for 45% of all employer contributions), a high proportion of the contributions have come in the form of funding controlled by Construction Skills through its statutory right to levy a financial contribution from employers⁶⁵.

Of course, it needs to be recognised that the original targets were developed before the onset of the economic recession. This is discussed further in chapter 7.

Corresponding to this low level of private contribution, however, the underspend in terms of public funding is somewhat smaller than for the budgets as a whole: with around 73% of all allocated public funding being utilised.

4.3 Performance against output targets

Table 4.2 shows the targets for the SPFP set in the prospectus in respect of key indicators, the currently agreed profile for the 14 projects collectively, actual outturns as at 24 April 2012 and forecasts for final outturns.

⁶⁴ See Section 2.2.5 above. The business plan envisaged (for west Wales and the valleys only) £992,716 of private match funding contributing to a total budget of £5,839,507; while the prospectus gave figures of private funding of £1.7 million towards a total project cost of £7.1 million.

⁶⁵ Evaluation of the Delivering Low Carbon Skills in Wales Programme, GHK, March 2012.

Table 4.2: Actual and forecast outturns across 14 projects

Indicator	Target – Prospectus	Profile – 14 projects at contract	Current outturn	Forecast final outturn
Employers assisted	1,067	1,192	945	2,371
Participants	4,017	7,680 ⁶⁶	1,626	3,570
Participants gaining qualifications	2,950	3,243	633	2,338
Participants entering further learning	590	991	259	662
Research studies	13	17	15	21

Source: SFPF Unit monitoring data

As will be seen, should the current forecasts prove accurate, then the prospectus targets will be exceeded for:

- the number of employers assisted;
- participants entering further learning; and
- research studies.

But they will not be met in respect of:

- participants; and
- participants gaining qualifications.

Here however, the degree of under-achievement (at 12% below target for participants and 21% below target for qualifications) is still significantly less than the underspend against the original budget, suggesting the programme has performed reasonably well in terms of a crude value for money calculation.

Looking in more detail at the performance of individual projects, table 4.3 below considers performance in respect of employers assisted. While this shows that three of the projects which originally had targets set for this indicator will fail to achieve their target (Skillsmart Retail, People 1st and –

⁶⁶ This is somewhat misleading as 3,000 of these participants related to the Lantra project, where the target set was based on a misunderstanding of what could be counted as participation

marginally – SkillsActive⁶⁷), it also highlights the extent of the changes to project targets during the lifetime of the programme, with four projects which originally did not intend to deliver assistance to employers subsequently signing up to such targets. It is also important to note that almost 60% of the total target is accounted for by the Lantra project, despite the fact that this was essentially a research project. The employers engaged with the Lantra project have been involved through the research process and through receiving dissemination materials rather than through training provision.

Table 4.3: Outturns: employers assisted

SSC	Committed at Approval	Latest Forecast	Achieved		
			Convergence area	Non Convergence area	Total
Creative & Cultural Skills	33	35	21	10	31
Skillsmart Retail	370	187	118	69	187
Asset Skills	48	68	33	27	60
Cogent	20	20	11	9	20
The Institute of the Motor Industry	80	80	33	15	48
People 1 st	406	100	39	21	60
Energy & Utility Skills	35	59	26	21	47
Food Supply Chain (Lantra)	0	1,387	89	99	188
Low Carbon Bid (Construction Skills)	160	250	150	34	184
Semta	0	80	34	9	43
Skillset Apprenticeships	0	40	6	6	12
SkillsActive	40	39	23	16	39
Skillset Research	0	26	13	13	26
Total	1,192	2,371	596	349	945

Source: SFPP Unit monitoring data

In a number of other cases, projects' engagement with employers has also been in the form of providing information or engaging employers in research

⁶⁷ Although SkillsActive told us that they had exceeded their target and had engaged with 81 employers

rather than providing training. For example:

- Skillsmart Retail, where the employers recorded are ones who have taken part in location model research;
- Cogent, where the employers undertook a diagnostic but did not proceed to take advantage of the training offered;
- SkillsActive, where the employers took part in a dissemination event around a new qualification; and
- The Skillset research project, where the employers again have participated in research and dissemination events.

Indeed, a minority of all employers - around 30% or 700 in total - will have been engaged in training activity. By contrast, of the 1,192 employers who were expected to participate in projects when they were approved at least 782 or around two-thirds were expected to benefit from training activity⁶⁸.

It is principally the Low Carbon, People 1st, SEMTA, IMI and Asset Skills projects that have provided training for employers.

Turning to participants, table 4.4 considers the numbers of participants recruited by each project (omitting the original target set for the Food and Drink project). As the table shows, and assuming the forecast outturns are broadly correct, despite the fact that the overall target will not be reached, five of the projects will achieve or exceed the target set for them, with Asset Skills reaching twice the number of participants originally expected (against a budget some 25% larger). Four will fall short of their targets:

- the Cogent project, where there has been no training delivery;
- People 1st which will have reached only around half of the participants it originally envisaged (though this is very much in line also with the project underspend);
- the Low Carbon project (where again, the number of participants is below target to almost exactly the same extent as the budget is underspent); and
- IMI.

⁶⁸ Only in the case of the SkillsActive and the Skillsmart Retail projects was employer participation expected to be in the form of research and dissemination.

Table 4.4: Outturns: participants

SSC	Committed at Approval	Latest Forecast	Achieved		
			Conv.	Non Conv.	Total
Creative & Cultural Skills	50	57	39	18	57
Asset Skills	230	460	169	77	246
Cogent	100	0	0	0	0
The Institute of the Motor Industry	150	78	53	25	78
People 1 st	2,030	1,116	378	154	532
Skillset	20	14	7	7	14
Energy & Utility Skills	460	460	230	89	319
Low Carbon Bid (Construction Skills)	940	685	312	52	364
Semta	700	700	13	3	16
Total	4,680	3,570	1,201	425	1,626

Source: SFPF Unit monitoring data

Only in the cases of IMI and the Skillset Apprenticeships has the cost-per-participant been higher than envisaged at the time of project approval.

Tables 4.5 and 4.6 contain data on qualifications achieved and participants going on to further learning

Table 4.5: Outturns: qualifications achieved

SSC	Committed at Approval	Latest Forecast	Achieved		
			Conv.	Non Conv.	Total
Creative & Cultural Skills	50	55	0	3	3
Asset Skills	141	382	74	32	106
Cogent	35	0	0	0	0
The Institute of the Motor Industry	135	74	33	17	50
People 1 st	1,512	710	329	131	460
Skillset Apprenticeships	20	12	0	0	00
Energy & Utility Skills	10	87	0	0	00
Low Carbon Bid (Construction Skills)	840	518	11	3	14
Semta	500	500	0	0	0
Total	3,243	2,338	447	186	633

Source: SFPF Unit monitoring data

Table 4.6: Outturns: entry into further learning

SSC	Committed at Approval	Latest Forecast	Achieved		
			Conv.	Non Conv.	Total
Creative & Cultural Skills	25	55	0	0	0
Asset Skills	58	58	1	0	1
The Institute of the Motor Industry	15	39	26	13	39
Energy & Utility Skills	4	143	137	6	143
Low Carbon Bid (Construction Skills)	840	240	9	4	13
Semta	49	49	1	0	1
Skillset Apprenticeships	0	14	0	0	0
People 1 st	0	64	48	14	62
Total	991	662	222	37	259

Source: SFPF Unit monitoring data

Overall, the pattern here is similar to that with participants as a whole, with many of the projects on track to deliver much in line with their targets but with some underperformance, in particular:

- Cogent, IMI, People 1st and Skillset - in terms of qualifications but not in terms of entry into further learning (although in all of these, except IMI, no targets were originally set for progression); and
- the Low Carbon project in terms of both qualifications and progression.

Once again and assuming the forecasts prove accurate, the degree of underperformance is generally (with the exception of Cogent and the Skillset Apprenticeships) less than the degree of underspend of the respective projects.

Finally, table 4.7 provides information on the number of research studies completed.

As will be seen, only SEMTA has failed to produce the number of research studies originally envisaged, while Skillsmart Retail is expected to account for around 40% of the total number of studies produced.

Table 4.7: Outturns: research studies

SSC	Committed at Approval	Latest Forecast	Achieved
Creative and Cultural Skills	1	1	0
Skillsmart Retail	0	9	9
Skillset	1	1	0
Construction Skills	1	1	1
People 1 st	0	1	1
Skillset	1	1	1
Food Supply Chain (Lantra)	1	1	1
Low Carbon Skills (Construction Skills)	1	4	1
Semta	11	2	1
Total	17	21	15

Source: SFPF Unit monitoring data

In considering the question of outturns against targets, it is important once again to note the rather significant changes in targets during the lifetime of the programme. Of the 48 individual project-level outputs recorded in tables 4.3 - 4.7 above, in eight no targets were originally set at the time of project approval.

Moreover, the Food and Drink study targets originally did not include a target for employers assisted but did include a target for 3,000 participants (nearly 40% of the total for all projects): this was set on the understanding that individuals participating in the research process could be counted as participants. When it became clear that participation in research was not eligible as an ESF output for individuals and that the project was unlikely to proceed to the stage of piloting new training courses, the target for participants was reduced to zero. While to some extent this reflects good project management on the part of the SFPF Unit, it does also suggest that SSCs had problems setting targets, which were not picked up during the project appraisal process.

5.0 Findings: the effectiveness of programme and project implementation

5.1 Introduction

In this chapter, we consider the effectiveness of the implementation of the programme and of its constituent projects.

We first consider issues around the development of the programme up until individual projects were approved (section 5.2) and then consider issues around the set-up of the individual projects (section 5.3). We then turn to questions of programme management and relationships between the SPFP Unit and the projects (section 5.4) and the effectiveness of implementation at the level of the individual projects (section 5.5).

5.2 Programme development

Turning first to the initial stages of programme implementation, up to and including the approval of individual projects, the main concern voiced by most interviewees relates to the considerable delay in moving from the point at which the SPFP Programme was first mooted in 2008 to the approval of the first projects in 2010.

Welsh Government officials are keen to emphasise that the prospectus was not issued until there had been agreement with WEFO on the business plan and that SSCs were thus not misled about the timescale for implementation of individual projects. However, SSCs were inevitably aware of the fact that the business plan had been submitted. Indeed, several SSC interviewees pointed out that in the early stages of the development of the programme, there was a working group involving SSCs which advised on the design of the programme. It is therefore unsurprising that SSCs were already developing project ideas before the prospectus was issued, and that in some cases, these were based on what proved to be misguided assumptions on their part about timescales.

In reality, while the length of time in concluding negotiations with WEFO does not appear out of the ordinary, several stakeholders, including two interviewees within the Welsh Government who were closely involved with the development of the programme, did suggest that the delays were at least in some part the result of considerable upheaval in terms of staffing within DfES (with two changes in lead officer in a little over a year). They also cited what they see as a more general lack of experience in managing delivery of ESF projects within the then DCELLS at the time. This reflects the fact that whereas in the 2000-2006 Structural Fund Programmes, Welsh Government involvement was principally as a match funder rather than a project sponsor⁶⁹, this changed with the implementation of the 2007-2013 programmes which explicitly have a stronger emphasis on delivery of fewer, more strategic projects.

The fact that the originally envisioned life of the programme was just over two and a half years meant that the delay of nearly a year in receiving WEFO approval placed considerable pressure on both programme staff within WG and SSCs.

Despite this, once the starting gun was fired, the guidance (in the shape of the prospectus) and the application and appraisal processes – with a rolling deadline rather than a fixed bidding round – generally appear to have been reasonably well received by SSCs. Thus one interviewee commented:

‘Compared to these things in England, it was very good in Wales – you could just pick up the phone and talk it through with someone’ (Lead SSC).

In particular, and given that the advocates – who were originally intended to support SSCs in developing projects – were not in post (see chapter 6), some SSCs highlighted the funding that was provided to allow them to buy in project development support as a very positive aspect of the programme.

⁶⁹ That is, itself managing and delivering projects.

Overall, however, interviewees from nine of the 12 lead SSCs⁷⁰ were very critical of what are perceived as long delays in moving from the original discussion of the programme to the approval of project applications. Typical comments here were:

‘Undoubtedly the delay in WAG signing the contract with WEFO will alone be the reason why some SSCs will fail to meet their targets’ (Lead SSC).

‘We knew for quite a long time that SPFP was coming but it took a long time to get to the application stage’ (Lead SSC).

Welsh Government interviewees acknowledge that there were some delays on their side in terms of finalising the initial contract documentation. However, they argue that this affected only the first one or two applicants, and that in other cases, any delays between project submission and project approval were mostly the result of slow responses from SSCs to questions raised about project proposals and the tendency of different SSCs’ legal advisors to query different aspects of the template contract.

Some SSCs also admit that internal delays (reflecting the generally low priority which UK head offices gave to relatively small scale projects) played some role:

‘We had to get our legal people in and that takes more time because they are based elsewhere’ (SSC Manager).

It is true that the contracts issued by the Welsh Government for all projects are identical. However, it is possible that circulating a draft contract for comment to all SSCs in advance of agreeing individual projects might have expedited matters.

⁷⁰ Since two SSCs (Skillset and Construction Skills) each were responsible for managing two projects, there were 12 SSCs who were interviewed as lead SSCs. Of these 12, nine were critical of what they saw as delays in moving to project approval. The other three SSC interviewees could not comment because they were not in post at the time applications were submitted.

With the exception of timescales, most interviewees felt that the appraisal process was relatively unproblematic.

However, our desk review of documentation did suggest that the appraisal process may not always have been sufficiently rigorous to pick up errors or over-ambitious proposals. We have already referred (section 4.3 above) to the question of the initial target of 3,000 participants for the Food and Drink project⁷¹. In our view, the appraisal process might also have questioned whether a six stage work programme, with stages generally consecutive rather than concurrent, involving mapping provision, undertaking a major piece of LMI, developing new training materials and then piloting them, was feasible in little more than 12 months⁷².

In this context, we understand that a project put forward by e-Skills for developing an apprenticeship framework was approved, but subsequently dropped because, in part at least, it became clear very quickly that it could not be realised within the very limited lifetime of the programme.

Some Welsh Government interviewees recognised that several projects suffer from poor project design and that the appraisal process may not have been sufficiently testing to challenge over-ambitious ideas. Thus one Welsh Government official said:

‘In some cases what they [SSCs] proposed to do was basically undeliverable in the timescales or in the way they proposed to do it.’

While the ESF landscape is rapidly changing, it is clear from our fieldwork that a number of SPFP projects, such as the Cogent Gold Standard and the Women at Work element of the EU Skills project, were developed and approved in ignorance of pre-existing ESF projects which, to some extent, displaced demand for them and have caused them to under-deliver.

⁷¹ This inaccuracy was subsequently picked up through the process of project reviews and corrected.

⁷² Although it needs to be recognised that once approved, the programme managers monitored progress against initial plans and intervened when it became clear that these plans could not be delivered.

A small number of stakeholders, including one Welsh Government interviewee who was involved with the appraisal process throughout, suggested a weakness in the appraisal process, which contributed to these problems, namely the lack of involvement of DfES' ESF unit (which has an overview of all ESF 'live' projects) in the assessment panel. Thus, the Welsh Government official noted:

'I think where we missed a trick on this was that we didn't have any one from the ESF team on it [the assessment panel] because there are things which we probably approved – especially cost wise – where ...if we had someone from the ESF team there they could have said before approval "that's already being done somewhere else...". The ESF team are involved in SPFP now, in that they come along to the progress meetings with us and we've already had some project meetings where ...they've been able to say that "there's a thread of a project that's being done somewhere else, you go and talk to them, you can do it through them rather than through SPFP"'.

5.3 Project set-up

Once projects were approved, our fieldwork suggests that a major source of delay has been SSCs' lack of experience in terms of public procurement (given the requirement by WEFO that any training delivery by pilot projects would need to be procured through a formal procurement process) and of ESF requirements in general.

Our fieldwork revealed that even the best resourced SSCs had little or no prior experience of running such formal procurement exercises, and that implementing this WEFO requirement has caused significant delays, difficulties and, in the case of the Low Carbon project, tension between the collaborating SSCs. While the SPFP Unit did arrange a training session on procurement practices, this appears to have come rather late in the day for some of the SSCs.

Some SSCs also found that in some cases they were overwhelmed with interest from training providers, leading to the inclusion of a large number of providers on call-down lists, many of whom have then never been used. In others, SSCs have been left with geographically uneven coverage because no providers expressed an interest in some areas.

Problems over procurement were also recognised by stakeholders within the Welsh Government.

The cumulative impact of the delays in WEFO signing off the project, delays in getting pilot projects contractually committed and delays caused by procurement meant that, in some cases at least, the window for project delivery has been extremely small. Thus, one of the providers contracted to deliver SEMTA's Tailor Made Training noted that they have succeeded in delivering a significant volume of training, despite in practice having no more than seven months from the date at which contracts were finalised until the original end date for the project.

More generally, both Welsh Government and some SSC interviewees stressed that the learning curve for SSCs in terms of dealing with the requirements of ESF has been a sharp one, since only a handful of SSCs (notably Construction Skills, SEMTA and Skillset) have direct experience of managing ESF projects in Wales, where, according to one Welsh Government interviewee, monitoring and accounting requirements are significantly stricter than in England.

5.4 Programme management

Despite the difficulties during the development stages, working relationships and communications between the SSC project managers and the SPFP Unit have generally been positive. A typical comment from one project, which has had serious difficulties was that the SPFP Unit have been 'supportive and responsive' throughout.

Our fieldwork suggested that the unit has sound formal and informal monitoring processes in place and a good awareness of the state of play in each individual project. The unit has, however, sometimes been uncertain as to how far to accept what appear to be over-optimistic outturn forecasts provided by some SSCs. Regular reporting to a Project Management Board has also ensured more senior staff are aware of progress.

Nevertheless, three of the more experienced SSCs as well as two Welsh Government officials suggested that the Unit has been unduly preoccupied with ensuring that the WEFO targets (particularly those for participants and employers assisted) are reached. Since these targets are related to the volume of training rather than the quality or relevance of it, these interviewees believed this focus may have distracted attention from considering whether the pilots are delivering against the broader policy goals of the programme – i.e. piloting innovative training which is clearly focused on employers' needs or which provides learning opportunities which aid career progression.

Moreover, while most SSCs thought communication with the Unit was good, our fieldwork did suggest that some lead SSCs are quite confused about some aspects of the programme, and in particular, the requirements of ESF. Thus, one project lead was insistent that they have had to persist in delivering a level 3 qualification alongside a level 2 (with a different focus), even though the former is no longer required by employers, because this is a condition of ESF. This is not the case.

Similarly, another project said it would be reporting a far greater number of qualifications than anticipated, since each learner has completed two qualifications as part of their learning (missing the point that the target is for learners gaining qualifications, not the number of qualifications awarded).

It is not clear how far such misunderstandings could have been prevented or corrected by the provision of better information from the SPFP Unit or indeed from WEFO or how far they have resulted from a failure of SSCs to assimilate the guidance provided.

Some SSC interviewees complained at what they see as a lack of clarity and 'moving goalposts' on data collection requirements (with one SSC claiming that the requirement for employers to have given signed acknowledgement of the support received had emerged late in the day, after a significant number of employers had been enrolled) and the treatment of financial overheads (on which one SSC claimed definitive guidance is still awaited). There are also concerns over the fact that quarterly claims could not be completed on-line and what were claimed to be excessive requirements in terms of financial monitoring (e.g. the need to provide photocopies of cashed cheques to evidence employers' contributions, the need to back up claims for staff time by photocopies of time-sheets, payslips and bank account transactions).

Of course, it needs to be recognised that ESF brings with it onerous requirements in terms of providing an audit trail and, in this context, it is interesting that those SSCs with prior experience of ESF were least critical, with one saying of the SPFP requirements that 'it is much less work than we've experienced previously with WEFO' suggesting that some of the criticism may very well reflect lack of familiarity with ESF.

5.5 The effectiveness of project-level implementation

In terms of the effectiveness of implementation at the level of the 14 individual projects, this seems to have varied considerably, as is reflected, at least in part, in the varied performance of the projects discussed in chapter 4.

Indeed, the main finding in terms of the effectiveness of the implementation of the SPFP Programme is the significant contrast between the project management skills and capacity of different SSCs, with some clearly managing to deliver even in difficult circumstances (and showing considerable flexibility in adapting to changes in the operating environment) and others struggling.

The importance of putting in place (and hence resourcing within the project) a dedicated project manager for all but the smallest and most straightforward projects seems to emerge as an important factor here.

‘Good project management, that is a very clear message... good project managers sticking to good project plans have delivered’ (Welsh Government official).

This is certainly perceived as making a significant difference to ensuring the relative success of projects such as the Asset Skills project, where a project manager was put in post early and has clearly driven the project forward, the SkillsActive project and the SEMTA project. It is also thought to be true of the IMI project, where, although targets were not reached, engagement with employers and providers is generally regarded as highly effective,

By contrast, in the People 1st project, responsibility for different elements of the project has been vested in different individuals. In this case, the project evaluators conclude that weaknesses in project management in regard to one element of the project (to develop learning resources for chefs) – while largely down to the failings of the sub-contractor - highlight issues around project management processes:

‘There was no apparent contingency plan (or plan B) to restore the schedule when the contractor was failing to deliver on time. We can only conclude that this was a complete failure of contractor project planning and management’⁷³.

Similarly, a vacancy in the post of project manager in the Low Carbon Skills project is widely seen as having had a negative impact on that project getting up to speed quickly and delivering effectively:

‘Once the project manager was appointed ... they were playing catch-up’ (Advocate).

⁷³ Evaluation of People 1st SPFP Pilot Project, Teevan Consulting, December 2011.

A good project manager is, however, not a guarantee of success where there are more fundamental problems with a project's design or 'offer'. Thus, for example, in the case of the Cogent Gold Standard project, it has proved impossible, even with a full-time project manager, to recruit employers to the project, because these employers could access similar training at lower cost elsewhere, including from another ESF project managed by Pembrokeshire College.

A similar picture emerges in the case of EU Skills, where the project manager was seen by one Welsh Government official as 'outstanding' but where the project – particularly the Women at Work strand – has failed to gain much traction, not least because of the availability of other ESF-funded training targeting women within the workforce from projects such as Y Dyfodol (delivered by a consortium of FE colleges in North Wales) and Agile Nation (led by Chwarae Teg).

Nevertheless, having a project manager in post and perhaps even more, having a culture of sound project management, was seen by many interviewees as a key enabling factor in project success. Several interviewees, with a good knowledge of SSCs in Wales, suggested that experience of the programme exactly mirrors the previous track record of individual SSCs in delivering or failing to deliver project activity funded under previous funding regimes in Wales. This is considered further in chapter 8 below.

The three projects which involved collaboration between SSCs have posed particular challenges in terms of project management.

The Food and Drink study seems to have been the closest to a genuine collaboration, although interviewees generally stressed that in practice the project has largely been driven by the lead SSC, Lantra. An issue here has been the lack of project management resource for the partner SSCs. The original budget contained provision for a full-time project manager and other

staff inputs from Lantra, but funding for only 10 days staff inputs from each of the other three SSCs. This was quickly revealed as wholly inadequate, but a request to reprofile the budget to address this was turned down by the Welsh Government. This is a cause of some resentment on the part of the other SSCs and may have contributed to delays in establishing protocols and resolving disagreements on project implementation which in turn, has led to the ambitious timescale originally envisaged slipping. These problems led to the Welsh Government deciding to withdraw funding from the training development and delivery stages of the project.

Those interviewees with an insight into the Low Carbon project, generally felt that the collaboration between SSCs had been extremely fraught, with individual SSCs having very different perspectives on what has been at the root of the problem. In particular the project-level evaluation highlights the fact that other SSCs were uncomfortable with Construction Skills' procurement procedures, which Construction Skills insisted needed to be used across all strands of the project⁷⁴. While the vacancy in the project manager post, at a critical time, appears to have been a cause of some of the difficulties, external factors – particularly a succession of failed attempts by Construction Skills at a UK level to 'take over' Summit Skills – are also seen as having contributed to souring the atmosphere.

In terms of the SEMTA led Tailor Made Training project, this appears to have been far smoother in terms of the relationship between the three SSCs involved. A Steering Group involving not just the SSCs but a number of other key partners, including representatives of various manufacturing industry fora, is generally seen as having worked well in terms of ensuring that partners have been kept fully informed on progress. However, all the interviewees agreed that this is largely because SEMTA has been willing, and able, to drive the project forward, with the other SSCs playing a supportive, though largely passive role, in terms of actual delivery.

⁷⁴ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012.

In terms of the effectiveness with which projects have managed communications and relationships with providers and with employers, again the performance of different projects seems somewhat mixed. In many cases, evidence from project-level evaluations and from our fieldwork suggests that SSCs project management is well regarded. This is generally the case for example with the Creative & Cultural Skills (CCS) project (despite a number of changes of project manager), where the project evaluation commends the project management as excellent, a view echoed by the providers we spoke to. It is also the case in respect of the SEMTA, and Asset Skills projects, where, for example a provider commented:

‘We meet with them [Asset Skills], they are available by telephone. They keep in touch with how we are progressing’.

In the case of the SEMTA project, however, some interviewees felt that the SSC had underestimated the degree of effort needed to manage what is an extensive provider network and to develop the skills, particularly of FE providers, in scoping and delivering bespoke packages of learning to individual employers.

In some other cases – perhaps unsurprisingly where projects have struggled – there are more concerns, for example:

- in the IMI project, providers feel that the SSC could have done more to market the provision to employers;
- similarly, in the case of the Low Carbon Skills project, providers have mixed views of the extent of the support from the SSCs, with one commenting that once the procurement exercise was over ‘there was a strong feeling that it was a case of “right, you are on your own now”, while one of the employers we interviewed feels that communications with both the SSC concerned and the training provider have been poor; and
- in the case of the EU Skills Women at Work strand, providers are critical not so much of the way in which the project has been managed, but the rationale for it, with one commenting that there was little

evidence that there was a need for the sort of approach being offered (this view was also echoed by other stakeholders).

Despite these negatives, in respect of those projects with training delivery, most of the project-level evaluations report high degrees of satisfaction from employers and employees with the provision offered – findings which were broadly echoed by our own fieldwork, although this tended to uncover some more critical voices. Thus for example:

- 83% of CCS Apprentices said they would recommend the scheme to others, while 48% of employers thought the value for money offered by the project was excellent and a further 22% that it was good⁷⁵. However, while one of the employers we interviewed was very positive about the provision, another felt it had been poorly attuned to their needs;
- in the case of the Skillset Apprenticeships, participants and employers were generally very positive about the work placements, with apprentices generally feeling well supported by employers and training providers. However, there was some dissatisfaction with the quality of some of the training provision (e.g. relating to the interactive media element of the apprenticeship pilot)⁷⁶ and a perception that communications and working relationships between employers and the training providers and between the training providers and the SSC might have been strengthened by introducing ‘agreed work plans at the start’ of the apprenticeship⁷⁷ (a view echoed by some of our own fieldwork);
- 91% of employers involved in the Asset Skills pilot project rated the training as either excellent or good and 81% of participants said that they were very or fairly satisfied, although the evaluation uncovered some concerns about the lack of clear communication about how much work the provision would involve⁷⁸. Again, our fieldwork suggests that

⁷⁵ Evaluation of the Creative Apprenticeships Pilot Project, Wavehill, December 2011.

⁷⁶ Evaluation of the Skillset Cymru Apprenticeship in Creative and Digital Media Pilot, Final Report. Arad, December 2011.

⁷⁷ Evaluation of the Skillset Cymru Apprenticeship in Creative and Digital Media Pilot, Final Report. Arad, December 2011.

⁷⁸ SPF Project Research Report, Asset Skills, 2011.

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- both the picture of general satisfaction with the provision and concern about the demands it placed on participants was accurate;
- 77% of participants in Low Carbon Skills training agreed with the view that the training was carried out by high quality tutors/lecturers (45% strongly)⁷⁹;
 - feedback from participants and employers interviewed by Strategic Marketing revealed a very high level of satisfaction with the quality of training provided as part of the IMI project⁸⁰, which was echoed by our own fieldwork with two employers;
 - the small number of employers and employees we interviewed, who have been engaged in the People 1st World Host training, felt it was of good quality and compared favourably with other customer service training products, while the project-level evaluation reported from a number of focus groups that the provider CPD element of the People 1st project was very strongly appreciated by participants⁸¹;
 - the project-level evaluation of the EU Skills project reported that, in respect of the Women at Work strand, ‘the general consensus among the women interviewed was that the standard and quality of the training was very high, although a minority were disappointed and felt that the level of the course was too low’, but suggested that there were some concerns from participants engaged with the second strand (SHEA) at the classroom-based nature of the provision and the fact that, though targeted at waste management workers, the training focused heavily on examples from the construction sector (which had inspired the concept of the SHEA Registration Scheme)⁸²; and
 - 100% of the businesses, interviewed by the SEMTA project-level evaluators, said they would willingly engage with the project again⁸³.

⁷⁹ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012.

⁸⁰ Institute of the Motor Industry Evaluation of Sector Priorities Fund Pilot, Strategic Marketing, January 2012

⁸¹ An Evaluation of the People 1st Sector Priorities Fund Pilot for Wales, Teevan Consulting Network, December 2011.

⁸² Evaluation of EU Skills SPFP Projects, Miller Research, December 2011.

⁸³ Evaluation of the Tailor Made Training (TMT), Montalt Enrich Ltd., December 2011.

In terms of the research projects undertaken as part of the pilot projects, these generally appear to have been well managed, with research ‘products’ produced mostly on time and on budget. Stakeholders were particularly complimentary about the way in which the SkillsActive project, despite being the last to be approved, has succeeded in ensuring the Play Work qualification has been developed in very good time – indeed, so promptly that it has been possible to include a dissemination phase which had not been anticipated – and under budget. Similarly, the Skillset research project was executed to a strict timescale and to budget.

Only in the case of the People 1st project have there been significant issues in respect of the development of learning resources, though as already noted, timescales meant that key research studies commissioned as part of the Low Carbon Skills project have also not been able to inform the delivery of provision under the pilot project.

Similarly, pressure of tight timescales in the case of the Skillsmart Retail project are considered to be a reason for lower than anticipated employer engagement with the location model exercise in Newport, where the exercise was undertaken in the run up to the Ryder Cup.

In the case of the largest research project, the Food and Drink project led by Lantra, while all those with knowledge of the research ‘product’ rate it highly, several stakeholders feel that – at a total cost of over £500,000 – it was very expensive. While a significant part of these costs relate to presentation and dissemination of the research, in this context, it is important to note that the direct costs of the commissioned research represent only a relatively small proportion of the overall cost of the project (around 20% of the final budget), significantly less than the project management costs within the SSCs. This perhaps raises a question about the overhead cost of delivering the project via a SSC and whether, in this instance, commissioning the research directly from the Welsh Government might have delivered greater value for money.

6.0 Findings: the effectiveness of the advocate service

6.1 Introduction

In this chapter we consider the effectiveness of the advocate service. As we have noted in chapter 1, although originally conceived as working principally with the pilot projects funded by the programme, in practice advocates have a broader role relating to the facilitation of links between SSCs and other players involved in workforce development, most notably learning providers and in some cases between different learning providers.

We therefore firstly (section 6.1) consider the findings on the management of the advocates as a resource, before turning to the views of those involved with SPFP projects (section 6.2). We then consider the evidence from our interviews with other stakeholders with whom advocates have worked outside the SPFP projects (section 6.3). In considering this evidence, it is important to stress that while we were able to select a balanced sample of 17 from within a much longer list (of around 60) individuals and organisations suggested by the advocates, we were nevertheless reliant on the advocates to put forward these names in the first place. This may have introduced an element of positive bias into the findings.

6.2 The advocates as a resource

We have already noted that there were long delays in procuring the *cadre* of advocates, with the result that by the time they took up their posts, almost all of the 14 projects were well underway. As a result, the original job description drafted as part of the business plan has been for the most part a dead letter and this has led to advocates fulfilling a very different role to that which was originally envisaged.

Inevitably, the views of many interviewees as to whether the original role of the advocates was well conceived, or not, is coloured by the fact that advocates were not able to contribute to the development of the SPFP projects. While some of those able to comment feel that, in theory at least,

there is a case for some ‘brokerage’ of the sort the advocates are intended to provide, some, including some of the advocates themselves, are uncertain as to whether having two different types of advocate risks putting a barrier, rather than building a bridge, between SSCs and learning providers.

In practice, our fieldwork suggests a consensus that advocates have largely been left to their own devices in terms of finding a role for themselves within a very broad job outline. Welsh Government interviewees generally feel that this has offered an opportunity for advocates to ‘play to their strengths’ and to test out differing approaches in a regional or sectoral context. But, for most of the advocates, certainly at the time of our initial fieldwork (September 2011, when they had been in post for around nine months), this was a source of huge frustration:

‘There wasn’t any clear direction as to what the role was and we were left to our own devices as to how we interpreted it’.

Advocates felt, at that time, that they had struggled in a short period to demonstrate their capacity to add value, given the lack of clarity about what they were supposed to achieve.

By April 2012, with a further six months experience to draw on and with their contracts having been extended until October 2012, advocates were perhaps less concerned at what they perceived as a lack of direction from Welsh Government, arguing in some cases that there have been advantages as well as disadvantages to being given a large degree of latitude in defining a role for themselves. Most are confident that they have made themselves useful in a variety of ways, for example:

- acting as ‘non-executive directors’ and/or critical friends to existing SPFP projects and helping to raise awareness and disseminate the experience of these projects;
- mapping other ESF workforce development projects and signposting SSCs and in some instances employers towards them;
- providing support to other workforce development projects, including

those funded by ESF. Thus, for example, two advocates have worked closely with Shaping the Future, a strategic project in North West Wales to reskill workers being made redundant from the energy industry, by synthesising and disseminating LMI from SSCs to inform the design of training pathways for participants. Another advocate has worked closely with Built Environment SSCs to promote the Green Deal, the UK Government's sustainable construction initiative;

- summarising, interpreting and synthesising LMI to make it more accessible to learning providers, and working closely with groups such as local 14-19 networks. This includes in some instances organising and taking part in regional or local events targeted on learning providers showcasing particular sectors or groups of sectors;
- mapping local provision of work-related learning and cross-referencing this with LMI to build up a picture of mismatches between training supply and employer demand;
- acting as a facilitator or broker in terms of contacts between different learning providers, perhaps particularly between private training providers and schools and Local Education Authorities;
- organising a major showcase for SSCs at the Millennium Stadium and ensuring that this was well attended by learning providers, Welsh Government staff and others;
- acting as an 'information hub' and disseminating relevant information across their networks of contacts;
- in some instances, brokering contact between other parts of the Welsh Government and SSCs, though it is notable here that while advocates often have some contact with officials within the Welsh Government Department for Business, Enterprise, Technology and Science (BETS) who are responsible for specific sectors, they were not (at the time of our fieldwork at least) engaged with the sector panels who are seen as operating at too high a level for them to interact with; and
- engaging with SSCs over the initial ideas for a potential second round of SPFP projects.

At the same time, advocates clearly felt that any future advocate service requires a clearer definition of what is expected from it and, in particular, of the way in which regional and sector advocates should work together. While this has worked well in the one organisation (Glyndwr University) which hosts both one sector and one regional advocate, relationships generally appear somewhat more distant. In some instances, sector advocates felt that regional advocates did not call upon them as much as they might have done. Although most advocates felt that relations with the SPFP Unit and DfES more generally are relatively good, they nevertheless felt that they continue to operate without clear direction and overarching co-ordination.

However, Welsh Government officials generally argued that the flexibility which they have given to the advocates is appropriate to allow them to respond to very different circumstances e.g. in the case of the four regional advocates, where some are working within well-structured regional arrangements and others are not. They feel that some of the advocates and their host organisations were initially reluctant to take the initiative in terms of proactively shaping the role, while more generally believing that the advocates have, in many ways, been a success story and have used the flexibility they have been given creatively to fill gaps and provide a valuable service to partners across Wales:

‘Overall, if I was asked what would I like to see continue, it would be the advocates. I’m a very strong supporter. The concept works. Yes, there were issues about the speed at which the advocates were up and running and we should learn that lesson – about getting them in place earlier. But the concept is very strong and in the case of provider advocates, wow! In the South West the provider advocate’s piloted joint curriculum planning between FE, HE and private training providers. I mean that was some achievement!’

At the same time, some stakeholders thought advocates have probably generally played to their pre-existing strengths in terms of where they could be most useful – ‘they’ve tended to fall back onto their own experience’.

This, it was recognised, has meant that there has been a lack of consistency across the role of different advocates (even within the two ‘families’ of regional and sector advocates) and, in some instances, a possible blurring of the lines between the advocates’ role as Welsh Government contractors and their role within their host organisations. Indeed, some stakeholders suggested that there has been suspicion of at least some of the advocates because of a belief that they might be promoting the interests of their host organisation rather than being genuinely independent.

Supporters of the advocate role, however, generally argued that it is a big advantage that they are regarded as independent of the Welsh Government, which gives them greater latitude to broker compromises between different organisations in a non-threatening way.

Finally, Welsh Government interviewees recognised that the lack of clarity over advocates’ roles and targets has made it difficult, if not impossible, to put in place robust performance management arrangements and therefore to gauge the impact of the advocates. They suggested that this has not been helped by several changes of responsibility for managing the advocates’ inputs, and that, if the advocates’ role is to be extended, then greater clarity will be needed.

6.3 Advocates and SPFP projects

It is very clear from our fieldwork that, even for the sector advocates, involvement in the 14 pilot projects has been relatively marginal and forms only one part of their work, while the regional advocates have had virtually no contact with the projects at all. It is therefore, unsurprising that our fieldwork also suggested that the advocates have added little value to the projects.

Generally, SSC interviewees who are involved with the projects argued that advocates have contributed little to the delivery of the pilot projects, and were relatively negative about them. Thus, one argued that the sector advocates were ‘too little too late - if anything, they’ve been more of a hindrance than a

help' while saying of the regional advocates (with whom there had been virtually no contact) 'it's very frustrating from our point of view that money is being spent on [them]'

Another said:

'They were supposed to be the lynchpin between us and learning providers and us and employers and us and the Welsh Government. But by the time they came on board, they were not needed'.

In some cases, however, SSC interviewees accepted that the advocates might have been able to play a useful role in terms of project development if they had been in post in time and, in the one case where a project was developed after the appointment of the advocates, interviewees were very complementary about the 'very useful and supportive' part played by the relevant Sector Advocate in developing and implementing the project. This perhaps suggests that the role the advocates were expected to play was reasonably well conceived, but that it has been undermined by the long delays in appointing them.

Similarly, one lead SSC felt that advocates have played a useful role in the dissemination of the research undertaken by the project, with one regional advocate helping to organise a seminar which provided a platform to explore the findings with regional providers and a sector advocate brokering a meeting between the SSC and a major FE provider to discuss possible curriculum changes flowing from the research.

Learning provider interviewees who were involved in the delivery of SPFP projects were generally completely unsighted about the existence of the advocates, with the exception of those involved in organisations holding contracts to host the advocates. It needs to be remembered, however, that these interviewees are generally within specific departments engaged with individual SPFP projects, rather than in senior management roles.

6.4 Advocates' wider role

The external stakeholders that we spoke to about the role of the advocates came from a variety of organisations. They include:

- three who work for SSCs (not involved in delivering SPFP projects) plus one private sector consultant working for a SSC;
- three who work in local authorities, two of whom chair 14-19 Networks, as well as one Deputy Headteacher who is also involved in a local 14-19 Network;
- three from Higher Education Institutions;
- one from Careers Wales;
- one from a trade union; and
- three from other not for profit organisations (two covering Wales as a whole and one local organisation).

A majority of them have had contact with more than one advocate, though in general terms, each has worked most closely with one of them. This is, however, not always the most obvious one.

Thus, one of the SSC interviewees has worked much more closely with one of the regional advocates than with the relevant sector advocate, even though she agreed that the latter should have been her main source of advocate support. Conversely, one of the sector advocates has played a very major role in assisting a regionally-focused and sectorally generic ESF project, although this was more properly the regional advocate's role.

Interviewees had quite varied views of the roles of advocates, though in most cases they are seen as providing some sort of information resource about LMI and about the nature of existing learning provision as well as fulfilling a network and brokerage function ('a conduit, go-between, convenor').

In some cases, particularly related to the two advocates who are employed by the National Training Federation for Wales (who were redeployed from other roles within the same organisation), and one of the sector advocates who

moved from a previous role within a SSC, there was a continuity of a previous relationship, with perhaps some blurring of the difference between the previous and the present role. Some advocates are seen as 'representing' particular constituencies, such as private training providers or particular sectors, though all but one interviewee felt that advocates operate in a relatively independent and unbiased way:

'[the advocate is] very balanced...you wouldn't want to work with someone with a slanted perspective'.

'I was surprised to hear that the role of advocates existed but with hindsight I think it has been a good idea to have an independent role'.

Three interviewees felt that at the outset the role of the advocates was unclear not only to them but to the advocates themselves, noting that they seemed to have a great deal of flexibility. As a result, one interviewee running a large ESF project which needed assistance with analysing and interpreting LMI, took the initiative to develop a 'brief' for the advocates inputs, which could arguably serve as a model of good practice.

Interviewees identified a wide range of different ways in which they have been supported by, or interacted with, the advocates.

Perhaps most commonly here is the perception of the advocates as a source of intelligence and information on subjects as diverse as Welsh Government policy developments, sectoral LMI and curriculum developments. This is for the most part very strongly valued, with almost all the interviewees who highlighted this role believing that the information which they receive from the advocates is carefully targeted and highly relevant to their work.

For these interviewees, the advocates are often seen as a vital 'short-cut' to getting to useful information. While information gathering or horizon-scanning is often part of their own role or job description, it is often one amongst - and towards the bottom of the list of - many tasks, with advocates seen as

providing a quick route to vital information. Typical comments here were:

‘[the advocate] is out and about, with eyes and ears open’.

‘[the advocates] are constantly passing on information – they’ve provided a much stronger interface with SSCs’.

Related to this, a number of interviewees (for example from the 14-19 networks) highlighted the role of both regional and sectoral advocates in making existing LMI intelligible to them and their colleagues by producing summary versions tailored to their own particular needs. This has enabled learning providers, particularly from schools who have less contact with SSCs, to access for the first time, and take on board some of the key messages from existing evidence. One such interviewee felt that the advocate has been something of an answer to a prayer in this regard:

‘You could get information from email or a website but [the advocate] interprets it...For the first time we are able to have some direct input from SSCs to our work’.

Advocates take an active part in all four of the learning partnerships and a number of other fora and networks, though in one case the regional advocate is seen principally as providing representation for the private training sector.

Beyond providing information, advocates were reported as having played an important role in brokering contact both between learning providers and SSCs and between learning providers. Examples here include:

- brokering contacts between a HEI and private training providers which led to the HEI sub-contracting significant elements of work to five or six private training providers;
- brokering contacts between 14-19 partnerships and private training providers in order to increase the range of curriculum options available to 14-19 year pupils: this included a leadership and management course for gifted pupils as well as a range of vocational pathways for

less able 14-16 year olds. Thus one interviewee commented:

‘[the advocate] has brought insight and knowledge of what work-based learning could bring to the table...[the advocate] has brought another dimension to our group and given learners new opportunities’;

- supporting a SSC to engage with FE colleges and employers to deliver a Pathways to Apprenticeship programme;
- securing the attendance of learning providers at an event to take forward a relatively new ESF project;
- identifying from LMI a niche skills shortage within a region and brokering a meeting between a SSC and learning providers to see how it might be addressed;
- assistance in providing FEI contacts for an initial discussion on a potential shared apprenticeship scheme; and
- advising on an annual series of sector-focused events in a 14-19 partnership, and helping to identify SSC speakers and materials.

In one case, a regional advocate has undertaken an extensive mapping exercise of workforce learning provision within the region, as the basis for analysing mismatches between demand for and supply of training; and subsequently arranged a series of five sector-focused events in the region. Those with insight into this process generally thought that the events were well organised and well supported and allowed providers to come into close contact with SSCs for the first time. One interviewee was, however, somewhat sceptical of the mapping exercise itself, which he felt duplicates other information sources, but accepted that it has probably been a useful device for the advocate to secure some ‘buy-in’ from providers within the region.

In a small number of cases, advocates have taken a more hands on role in project development or delivery. Thus, one advocate has project managed a 14-19 pilot project, while another has become engaged with promoting an entrepreneurship ‘challenge’ in primary schools: one interviewee felt that this is quite possibly outside the strict role of the advocate but was nevertheless

very positive:

‘I personally have welcomed this lack of pigeon-holing...this soft edged approach.’

More recently, advocates were also reported as having started to play an important role vis-à-vis SSCs in working up ideas for a possible ‘SPFP2’. This is seen as very valuable, with one SSC interviewee commenting that if the project did come to fruition it would be true to say that it was only because of the ideas and effort which an advocate (in this case one of the regional advocates) had put in.

At least three quarters of the interviewees rated the input of the advocates as both of high quality and very useful to them and to their organisation.

‘[the advocate has been] extremely helpful...providing information, brokering links with work-based learning providers and bringing intelligence to us...[the advocate] is very balanced and very sharp...and has saved me and us a lot of work’.

‘We’ve never had any negative experience with any of the three of them [the advocates which the interviewee had had contact with]...anything they’ve done has been done quickly...in my work you rapidly get to distinguish between a good person in a bum role, a bum person in a good role, and a good person in a good role, and in this case all three are the perfect match. If a suitable job came up here I wouldn’t hesitate to ask them to apply’.

Only three interviewees could identify anything which they felt was broadly within the remit of the advocate which they would have liked them to have done but which had not happened, though in one case this was because the interviewee felt they needed a more directive role:

‘They need to have a mandate to tell employers and providers what to do - they have only been able to make things happen so far by

networking’.

More importantly, with only two exceptions, interviewees supported the continuation of the role (though in a small number of cases, where interviewees have had contact principally with either a sector or regional advocate but also limited contact with the other ‘type’ of advocate they stressed they could only talk of the former). Typical comments here were:

‘It’s always good to have people in these sort of facilitative roles’.

‘Having an independent person in the middle is a great resource – we would really miss it if we lost it’.

Of the two dissenters, one interviewee felt that while a regional advocate has done an excellent job in brokering contacts between providers and SSCs, this ought now to have its own momentum, and that, given the tight public expenditure climate, the post is ‘nice-to-have’ rather than an essential:

‘We have needed it, we’ve had it and now we should be moving to a post-advocate era...we should be capable of working together now without the conscience sitting at the end of the table and poking us in the ribs periodically. Can we afford another person in the system? Not really given the financial constraints’.

The second felt that the resources used on the sector advocates could more sensibly be provided direct to the SSCs.

7.0 Findings: the achievements of programme objectives

7.1 Introduction

In this chapter, we consider the evidence from our review of SPFP projects' 'products', our secondary analysis of project-level evaluations and our fieldwork to review the extent to which the programme has succeeded in addressing its seven objectives:

- better LMI (section 7.2);
- innovative training (section 7.3);
- partnerships between different SSCs and between SSCs and learning providers (section 7.4);
- building capacity within the learning system (section 7.5);
- promoting equal opportunities (section 7.6);
- promoting environmental sustainability (section 7.7); and
- testing the impact of employer contributions (section 7.8).

7.2 Better LMI

We first consider the objective to:

'Provide a stronger evidence base and more detailed LMI to allow for greater understanding of supply and demand issues, when targeting training to employers. This will also be used to inform planning and funding decisions of both government and training providers'.

Four projects are principally concerned with LMI or other research: the Food and Drink study, Construction Skills (reform to inform transformational change in the construction industry), Skillset (future proofing the digital economy in Wales) and Skillsmart Retail (network of retail skill shops in Wales). Both the Construction Skills and the Skillset project are relatively small scale (with budgets of less than £100,000) whereas the Food and Drink study was originally one of the largest projects, with a budget of £780,000, although this has subsequently been reduced to a little over £0.5 million.

7.2.1 Food and Drink

The Food and Drink Study project has produced a major report on the sector⁸⁴, which was formally launched on 20 October. This is a large scale study based on interviews with 1,875 employers across Wales (as well as qualitative and desk research) and presenting a thorough analysis of the current and future demand for skills across the broad food and drink sector.

Our interviewees – both within SSCs and the Welsh Government - reported that this has generally been well received and took the view that it represents a significant resource going forward. Generally its importance is seen as resting in two characteristics at opposite ends of the detailed work undertaken: firstly, that it has highlighted the importance of the Food and Drink sector in terms of the Welsh economy (and this is thought to have at least played a supporting part in terms of the Ministerial decision to include food and farming as a priority sector, announced before the full report was launched but several months after initial headline findings were circulated); and secondly, that it provides a wealth of more detailed data which can be further analysed, not least in a segmented way by individual SSC footprints.

Indeed, as part of the extension of the project, a series of four data sheets, have been developed for each of the four sectors, highlighting specific issues in terms of skills needs and skills gaps. The data sheets seem well produced but are quite technical. They would however, be useful to training providers looking to understand the needs of the sector.

At least three of the four SSCs involved clearly recognised that the research provides far more robust LMI data, not just on the overall food and drink sector but for their footprint on a Wales level, than has been available before.

While the study is undoubtedly robust and impressive, there are potentially a number of more problematic aspects. In particular:

- the supply side is analysed only rather briefly and in fairly broad terms;

⁸⁴ The Welsh Food and Drink Skills Project: delivering skills for future growth', Miller Research (UK).

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- the (necessarily) complex approach to only asking employers more detailed questions about skills which they thought were relevant to them means that some areas which emerge as highly important across the whole sector (notably sales and merchandising) were only thought relevant by a minority of respondents; and
 - perhaps most importantly, given the past criticism by learning providers of LMI produced by SSCs, the analysis of demand is carried out almost exclusively at an all-Wales level and does not provide sub-regional or local LMI.

A final question is the extent to which the conclusions - particularly the first relating to the creation of a web-based training and support hub - really flow from the evidence collected or reflect the priorities of the SSCs who commissioned the work.

Importantly, as well as allowing the research to be commissioned, the project has put significant effort into dissemination. In particular, the project has worked with Careers Wales to produce a 'Spotlight' document in a recognised Careers Wales format which highlights careers opportunities in the sector and which has been very widely distributed both physically and electronically and has developed the food and drink website as the basis for an information hub, in particular commissioning a series of video clips highlighting different careers in the sector. Both the publication and the video clips are good quality, attractive and interesting to scan although an issue in the latter case may be their accessibility. A search for 'food and drink' for example, on the Careers Wales website in April 2012 yielded no results.

In addition, a number of events and seminars have been held by the partner SSCs to promote the research, while all 1,875 survey respondents have been sent a copy of the executive summary of the main report, with 800 of them agreeing to be regarded as assisted employers for monitoring purposes. As noted in chapter 4, this project accounts for more than 50% of the employers recorded by the programme as being assisted.

7.2.2 Skillset

In terms of the Skillset project, a draft report has been completed which appears to be a thorough and robust piece of research⁸⁵, although there have been delays in producing a final version. However, to date, there has been limited dissemination with only two events held in December 2011, involving a 'select' group of employers and providers. While feedback reported by the SSC is very positive, particularly from the providers, the 'reach' of these events was quite limited and the report has not yet been shared with, for example, the Creative Industries Sector Panel or Welsh Government officials (outside of the SPFP Unit). With a number of staff changes in prospect in Skillset, there does appear to be a risk of a loss of momentum, although Skillset are taking forward the first of the report's recommendations - to integrate a more international dimension to current HE and FE courses for new entrants to the sector - using ESF resources and are using the research to inform work on its own UK-wide business plan.

7.2.3. Construction Skills

In terms of the two other projects, while both appear to have been carried through broadly as envisaged, there are perhaps, grounds for some concerns around the appropriateness of the methods used.

In the case of the Construction Skills study⁸⁶, this is again based on a robust methodology which involved telephone interviews with a representative sample of 400 employers and 100 employees as well as focus groups with training providers. However, the terms of reference for the study seem to have moved away fairly significantly from those originally agreed in the SPFP contract.

The objectives of the research described in the Construction Skills SPFP agreement are to:

- 'Build on existing research to map the current provision of skills training and to identify gaps particular to the Welsh economy;

⁸⁵ Future Skills Needs of the Digital Media Workforce in Wales. TBR and Olsberg SPI, February 2012.

⁸⁶ Skills Provision for the Construction Sector in Wales: Research to inform Transformational Change – Final Report, Pye Tait, October 2011.

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- Map the gaps in provision taking into account locations, trades/courses, frequency of use or availability;
 - From the research analyse the most suitable and cost effective method(s) for plugging the gaps;
 - Provide an evidenced base for a more demand responsive training provision;
 - Promote best practice through the findings to the Built Environment sector'⁸⁷.

Following the subsequent procurement exercise these objectives became:

- to explore current and anticipated future training needs among construction employers in Wales;
- to assess the suitability of existing construction training provision at meeting demand; and
- to determine and recommend possible models for transforming construction training provision.

In practice the research as published is framed in relation to the appraisal of four potential future options:

- 'Option 1: a new build National Construction College (NCC); based on the model of the rest of the UK's NCCs to satisfy the demand for courses not currently available in Wales
- Option 2: Partnering an existing proposal for a 'construction centre' in Wales, with a view to Construction Skills becoming a partner in that proposal and working under the brand of NCC
- Option 3: Retraining of staff in existing institutions to deliver training required to meet the future skills demands of the sector
- Option 4: No change - Construction Skills continues to deliver qualifications as a Managing Agency'⁸⁸.

⁸⁷ SPFP Agreement, Schedule III, p26.

⁸⁸ Skills Provision for the Construction Sector in Wales: Research to inform Transformational Change – Final Report, Pye Tait, October 2011,

It would thus appear that the focus moved away from analysing existing supply to a much stronger focus on potential 'solutions', above all related to the National Construction College, which a number of stakeholders suggested has been a main priority for the SSC for a number of years.

Nevertheless, the final report provides convincing evidence of the need for some change in the pattern of provision of construction training in Wales, with approximately four-fifths of employers interviewed favouring some change to the status quo and over 70% of employers reporting that they need additional support to adapt to changing circumstances in order to enable growth in the construction industry.

Moreover, it seems likely that the report will have some impact in terms of the pattern of future provision of skills training in Wales, with a Transformation of Construction Training Provision (CTP) Strategy Working Group established with the support of the Deputy Minister for Skills to help develop an action plan for change which will be presented to Welsh Government Ministers, stakeholders and employer groups and to seek 'buy in'.

7.2.4 Skillsmart Retail

In terms of the Skillsmart Retail project, the project involved rolling out an established 'location model'. This is a research method used to analyse the performance and skills needs of the retail sector in specific towns and cities. The findings of the research are intended to act as a pre-cursor to stimulating the creation of Skills Shops – actual or virtual centres for the provision of training for the retail sector, hosted by individual learning providers, who 'buy in' to a national network (the National Skills Academy) which provides franchised training

In addition, two smaller research studies were commissioned, one to map existing retail skills provision and the second to 'identify a need for a network of retail Skills Shops in Wales and comment on how that network could be formed'.

In the latter case, it might be argued that again, the terms of reference for the study were rather skewed to a predetermined solution, perhaps confirmed by the fact that the research found a considerable degree of scepticism towards the concept of skill shops funded to a considerable extent by employer contributions, but attributed this to a lack of awareness and promotion of the concept and concluded that 'overall...the skill shop concept has potential within Wales'.

In terms of the location model, this has a relatively strong track record in England. Originally, the project was intended to fund just two exercises in Wales (Newport and Rhyl) but additional funds were made available by the SPFP Unit to undertake studies in an additional five locations (Swansea, Wrexham, Ammanford, Carmarthen and Llanelli).

Although the initial response in Newport was somewhat disappointing, with only 36 retailers participating (this is attributed to poor timing, with the exercise coinciding with the Ryder Cup), response in other towns, such as Rhyl was more positive, and Welsh Government stakeholders reported that anecdotal feedback has been positive:

'These do go down well with the areas and present an interesting picture of what is happening in the area...it's good PR for the area'.

However, it is less clear that the research has led to any significant change in the demand for, or supply of, training in the retail sector. This project led to the establishment of one new skills shop (in Cardiff), with another centred on Coleg Llandrillo having existed prior to the project coming into being. Given what is perceived as a relatively poor response from providers, Skillsmart have therefore contracted with a third provider, Acorn Training, to deliver retail training under license to the National Skills Academy across parts of Wales not covered by the two Skills Shops. Each of the three providers were reported by interviewees to be providing training to a number of national chains, but it is not clear how far, if at all, this is a result of the SPFP project.

7.2.5 Research elements in other projects

Besides these four projects, whose focus is almost exclusively on research and LMI, a number of other SPFP projects have also produced research outputs alongside other activities.

Most significantly, the Low Carbon project has involved the commissioning of three inter-related studies examining the evidence of actual and emerging skills gaps and shortages with regard to the construction of new low carbon housing⁸⁹; the evidence of actual and emerging skills gaps and shortages in relation to retrofitting existing housing stock with low carbon technologies⁹⁰; and 'the demand for and supply of built environment training (QCF Levels 2-4) in low carbon skills within the further education sector in Wales and assessing demand in relation to need as a result of present and anticipated future investment in low carbon technologies taking place in Wales'⁹¹.

These three studies provide a sound evidence base for further development of learning provision in low carbon skills in the built environment sector. Although the constricted timescales for project implementation meant that these studies were in effect undertaken in parallel with the pilot training activity rather than in advance of it, it would appear that they will nonetheless be used to inform action going forward. More specifically, SSC interviewees emphasised that the research is an important starting point for two new projects:

- work being commissioned through a major Employer Investment Fund (EIF)⁹² project to develop National Occupational Standards and qualifications and related training provider manuals for training programmes on retrofitting the existing housing stock with renewable technologies; and
- a 'State of the Nation' review of the UK's current positioning in respect of low carbon construction skills as part of a project funded by Intelligent Energy Europe's Build Up Skills initiative.

⁸⁹ Delivering Low Carbon Skills in Wales – Retrofit Learning Project, BRE, September 2011.

⁹⁰ Delivering Low Carbon Skills in Wales – Low Carbon New Build Learning Project, BRE, December 2011.

⁹¹ 'Low Carbon Skills in Wales Research Study', GHK, November 2011.

⁹² UKCES competitive funding for UK-wide projects promoted by SSCs.

Both of these projects are being promoted by the Green Deal Skills Alliance, a consortium of SSCs.

The People 1st project also involved one research strand, which is focused on examining career pathways of chefs. This research was undertaken in-house by People 1st staff. It involved the review of various documents and websites as well as face-to-face interviews with senior chefs from establishments across Wales. The research culminated in a 59 page report which draws upon the experience of interviewees to provide readers with what amounts to a guide to becoming a chef at various levels.

The report concludes with a chapter on women chefs. This essentially argues that women make equally competent chefs, but do not tend to progress into more senior chef roles because of the aggressive, masculine environment within many kitchens, the long and unsociable hours and the difficulty in balancing work and family commitments.

Whilst the report makes fairly interesting reading, it is not altogether clear how it will be used at this stage.

Other SPFP projects which have not formally been focused on research have nevertheless also led to a better understanding of employers' needs. There have been both positive and negative examples of this.

In positive terms, for example, the Asset Skills project has involved offering a range of Level 2 and Level 3 apprenticeships across a range of disciplines within the property management and maintenance sector. One of these, Facilities Management, was widely perceived by interviewees (both from the SSC, learning providers and Welsh Government stakeholders) as having uncovered a latent demand for provision in this area which was previously unknown:

'It's something that has been around for years but never at the forefront of thinking. Now everybody is interested - much more than we

estimated...We would never have found out about Facilities Management if it wasn't for this project'.

More negatively, the Cogent project has involved trialling its 'Gold Standard' - a diagnostic approach, linked to provision of bespoke training solutions - in Wales, targeting the pharmaceutical sector in south east Wales and the petro-chemical industry in south west Wales. In practice, the project has failed to generate any interest in the take up of training linked to the standard (though a number of companies have gone through the diagnostic process). While in part, this was attributed by interviewees to 'competition' from other training provision available at no cost to the employer and to market conditions, it has led Cogent to reassess the relevance of the Gold Standard approach, particularly to SMEs.

7.2.6 Conclusion

The SPFP thus appears to have generated some useful research and LMI, which adds - in some cases significantly - to the understanding of employers' skill needs in specific sectors, and rather less so to the understanding of the supply of learning provision.

In most cases (though less so in the case of the Skillsmart Retail and Skillset projects), there has also been some fairly clear 'follow through' in terms of either dissemination – which holds out the prospect of at least influencing providers' behaviour – or in terms of feeding into further research and action planning.

However, the extent to which this LMI will be used 'to inform planning and funding decisions of both government and training providers' is more moot.

As we have already seen, pending the outcome of the current review of post-16 funding, the Welsh Government currently does not have any planning or funding 'levers' by which to ensure that new forms of provision identified by the pilots are actually delivered by learning providers.

Whether LMI shapes provision on the ground is, therefore, largely a question of whether learning providers themselves take on board the findings of the research. This is only partly a question of dissemination: it is also a question of attitude.

Our fieldwork with stakeholders and learning providers suggests that there is considerable scepticism on the part of learning providers about the robustness of LMI produced by SSCs, with one saying, for example:

‘I’m suspicious about LMI. I’m even more suspicious about SSC gathering LMI because it is not impartial. To me they read like funding pitches. There hasn’t been one LMI report that I’ve read in recent times that has not concluded that more funds should be made available to the particular SSC’.

Learning providers are said to be particularly concerned that such formal LMI does not provide a sufficiently tailored and local view of need: in practice, most learning providers (particularly in the FE sector) prefer to rely on existing contacts with employers within their area.

While this was not universally the case, the limited evidence from our fieldwork suggests that even robust LMI is unlikely, on its own, to lead to changes in current patterns of provision. This view was also voiced by a stakeholder:

‘Learning providers are interested in LMI if it matches their existing provision or if they need it to provide evidence for a proposal they are putting together. Frankly, until you link funding [to LMI], perhaps through top slicing..., it just won’t have the legitimacy in the eyes of learning providers and you won’t motivate them to tailor their offer to what the LMI is saying’.

7.3 Provision of innovative training

We turn now to the evidence of the effectiveness of the SPFP in addressing its second objective:

‘to deliver innovative training support programmes capable of raising and widening the overall skills levels of participants. This could be via piloting new and innovative training methods or by adding value to existing training delivery mechanisms in order to improve the quality and increase the volume of training’.

In general terms, it seems fair to comment that there has been relatively little in the way of wholly new provision which has been developed as part of the 14 pilot projects: where training delivery has been new to Wales, it has generally been provision which has already been developed elsewhere in the UK, albeit with modifications or tailoring to Welsh circumstances.

In most cases, this was anticipated even at the stage of the project application but in some cases original plans to research the market and then develop new provision have not been realised or have been curtailed, largely because of timescales. This is most obviously the case in the Food and Drink project, where it was originally intended not just to identify gaps in current provision compared to employers’ requirements but also to develop and pilot new training provision to fill these gaps. However, a decision was made by the Welsh Government to discontinue this element of the project in summer 2011 because it was clear it could not be implemented within the timescales of the project.

7.3.1 EU Skills and People 1st

Similarly, EU Skills originally intended to develop a bespoke training package for the Women and Work element of its project (targeted at supporting women’s professional development in a sector which is highly gender segregated). However, tight timescales meant that this proved impossible, with the contracted training providers rather putting together packages of existing training courses to meet the needs of those recruited to the project, thus undermining the innovative aspects of the project.

This appears to have been only partly successful, with targets being achieved only by working with a relatively small number of large employers, where it appears there may have been a considerable amount of deadweight. As noted in section 5.5 above, some learners and the training providers are also quite sceptical of the value of the training, with some learners suggesting that the level of provision was pitched below their existing competence, although the project-level evaluation suggests (though without citing specific evidence) that many of the women have gained some improvement in their knowledge⁹³.

In a similar vein, People 1st originally intended as part of its project to undertake a comparative analysis of the then current Croeso Cynnes customer service approach with other customer service programmes before developing a suitable form of provision for the Welsh context to deliver to employers in the hospitality and tourism sector. However, in practice, the project has focused on delivering the WorldHost programme, which People 1st purchased on license as a main platform for developing customer service skills in the run up to the Olympics. It is not clear how far this is the result of constrained timescales, or the fact that in the interim between developing the project and it going 'live' People 1st became fully committed to this 'product' as a focus for its activity and saw the emerging project as a way of building momentum behind it in Wales. In practice, demand for the WorldHost training has been below anticipated levels, and the project seems to have achieved less than half the number of participants expected. The project-level evaluation suggests that, in part, this is the result of the fact that a number of other ESF projects have started to provide WorldHost training free or at lower cost. This evaluation report also suggests that three other factors played a major role in reducing the attractiveness of the offer: the economic climate, the cost of the courses, and the lack of proactive promotion by most of the contracted training providers, Regional Tourism Partnerships and Visit Wales⁹⁴ (who, perhaps understandably, were unwilling to promote a product which was explicitly launched as an alternative to its own Croeso Cynnes package).

⁹³ Evaluation of EU Skills SPFP Projects, Miller Research, December 2011.

⁹⁴ An Evaluation of the People 1st Sector Priorities Fund Pilot for Wales, Teevan Consulting Network, December 2011..

Another strand of the People 1st project was to develop a Shared Apprenticeship. This has not materialised. In the view of the project evaluation, this is ‘an example of a project where there was a need but not a demand’⁹⁵.

In the case of these two projects, however, even where provision has been less ‘new’ than anticipated, several elements have nevertheless allowed for new provision to be made available for the first time in Wales. This is true of both WorldHost and People 1st's Triple A Chef's Training and also of the second strand of the EU Skills project, which involves the provision of a one-day tailored training course related to Health and Safety within the waste management sector - SHEA. Despite some reservations on the part of participants with regard to the methods and content of training delivery of the SHEA strand (see section 5.5), those employers utilising all three of these training products have generally found them of some value.

In the case of SHEA, for example, which has supported 37 employers compared to the target of 10, the project-level evaluation finds that employers believe that the training and accreditation which goes with it help demonstrate ‘green’ credentials to clients, and offers the potential for productivity improvements as a result of cutting the number of accidents⁹⁶. Interviewees believed that the training will continue to be delivered by providers on a commercial basis – although the fact that the evaluation believes that the success of the project can be attributed to a decision to waive employer contributions might put this into question.

In the case of WorldHost, the evaluators more directly cast doubt on whether this new (to Wales) product will continue to be delivered after the project, arguing that:

‘sustainability is debateable - with the product struggling to establish a foothold when generally priced in the range £21-£35, we have concerns about what can be achieved at full market pricing (say £70-£80) particularly shorter term - the infrastructure is in place, will the

⁹⁵ Ibid.

⁹⁶ Evaluation of EU Skills SPFP Projects, Miller Research, December 2011

market pay the price?’⁹⁷.

In the case of the Triple A Chef’s qualification - which has been offered for the first time in Wales as a result of the People 1st project - experience appears mixed. While in this case, the provision was definitely aimed to raise skills levels, the course proved too demanding for many participants, with only 14 participants recruited to the course and only six completing the training.

7.3.2 IMI

In similar vein, the long lead into the programme has meant that in some other cases, provision which was envisaged as new to Wales has not in practice turned out to be so. The IMI project was, for example, built around offering for the first time a Level 3 qualification in climate control for vehicles but by the time the project was implemented, this qualification was already widely available in Wales, at a significantly lower cost than the project envisaged - driven by new regulatory requirements making it compulsory for each garage to have at least one engineer with the qualification. The project-level evaluation firmly attributes the failure to reach the original targets to the changing external environment between the project being designed and being approved:

‘had the project started on time before the introduction of new F-GAS legislation in July 2010, the training providers are confident that the project would have easily met the targets’⁹⁸.

By contrast, the second element of this project, a Level 2 qualification in servicing hybrid vehicles, was generally viewed as being very successful, and has involved the two contracted providers engaging in novel approaches (including purchasing hybrid vehicles to offer training on site at small garages). It is possible that the project has helped to set up the providers concerned with the wherewithal to deliver training on an ongoing basis, though on a smaller scale.

⁹⁷ An Evaluation of the People 1st Sector Priorities Fund Pilot for Wales, Teevan Consulting Network, December 2011.

⁹⁸ Institute of the Motor Industry Evaluation of Sector Priorities Fund Pilot, Strategic Marketing, January 2012..

Despite the problems with the climate control element, the fieldwork by the project evaluators and by ourselves does suggest that the training has met an identified business need, has led to additional employees accessing the training (for example, both of the employers we interviewed were adamant that without the project, fewer employees would have accessed the training) and has widened and raised the skills and qualifications of some participants.

7.3.3 SkillsActive

The major exception in terms of development of new provision is the SkillsActive project, which is solely focused on developing a Level 3 suite of qualifications for a part of its footprint - play - where these have been lacking to date. This has not, however, involved training delivery. Similarly, some strands of the Low Carbon project involved developing new training materials (e.g. Asset Skills commissioned learning materials for Domestic Energy Advisors).

7.3.4 The apprenticeship projects

In many ways, the most successful projects within the SPFP in terms of innovation, at least in terms of introducing new qualifications and learning pathways to Wales, appear to be the three which are focused on introducing new apprenticeships: these are the CCS, Asset Skills and Skillset (Creative and Digital Media Apprenticeships) projects.

In each case, the project offers a range of different apprenticeships routes, and (in the case of Asset Skills and CCS) a mix of Level 2 and Level 3 qualifications, some of which have proved more successful and popular than others. Overall, too, there are some clear differences in terms of performance between the three projects, with Asset Skills' project over-achieving its targets and receiving an extension (although this was said to be necessary to allow some of the participants to complete their qualifications as well as piloting two new qualifications), CCS broadly achieving targets and Skillset falling somewhat short, recruiting only 14 instead of the intended 25 apprentices and with only 12 completing the provision.

Moreover, it seems clear that there are significant differences between the three projects. In the case of Skillset, all the apprentices were new recruits, with the provision representing a significant departure in a sector where graduate recruitment is the norm. In the case of CCS, the apprentices were a mix of existing staff and new recruits, with the project evaluation suggesting more than 60% were existing employees⁹⁹, though again, feedback both through the project-level evaluation and through our own fieldwork suggests that these apprenticeship pathways represent a completely new opportunity for work-based learning in a sector where training is often restricted to statutory requirements.

With Asset Skills, it would appear that the vast majority of the participants were existing employees, in many cases with no or very low qualifications. This was certainly the case with both of the participants we interviewed (though the project evaluation contains no definite data on this).

Feedback in respect of these projects was generally very positive from the Welsh Government interviewees, from SSCs (with one interviewee, with a UK-wide role, saying that it was the best project he had worked on and that it had gone 'shockingly well'), and from learning providers (largely within the FE sector). Although for many of these colleges it has been a steep learning curve to engage with work-based learning, with the demands for on-site assessment and non-traditional delivery patterns. Several interviewees made the point that although there is expertise elsewhere within their organisation on work-based learning, their departments had no prior experience of offering these sorts of qualifications and have significantly increased their ability to work around employers' requirements.

Feedback from employers and participants (both from our fieldwork and from the project evaluations) was also broadly very positive. In the case of the CCS project, the project-level evaluation suggests that apprenticeships met a wide range of employers' identified business and skills needs (albeit that mean scores on a range of 0-5 in response to questions about the extent to which

⁹⁹ Evaluation of the Creative Apprenticeships Pilot Project, Wavehill, December 2011.

the project had met various business needs were generally around 2.5-3.0, which is perhaps relatively modest) with a clear majority saying they intended to use the scheme again, if available¹⁰⁰. While one of the employers we interviewed was sceptical, believing that the course was too general, another was very strongly supportive of the provision. Apprentices interviewed for the project-level evaluation reported a wide range of perceived benefits around self-confidence and enhancement of skills and three-quarters believed the course and the qualification has made them more employable.

In the case of the Asset Skills project, 82% of employers believed that the training has increased the self-confidence of their staff and a similar percentage reported that it has increased the motivation of their staff, with 90% reporting that the project has been very or fairly successful at developing new skills on the part of participants. 93% of participants suggested that they would consider undertaking more training in future, while large majorities said that confidence (84%), technical skills (74%) and problem solving skills (67%) has increased greatly or somewhat¹⁰¹. Echoing this, both our participant interviewees stressed the very positive effect the training has had (despite, in one case, the tight timescales having resulted in the provision feeling pressurised): one who previously lacked any formal qualifications said:

‘I’m chomping at the bit to do some more training. I’ve spoken with my line manager and there may be a possibility of doing NVQ4. I’ve looked at Open University as an option – something I would never have considered before doing this course’.

Similarly, in the case of the Skillset project, according to the project-level evaluation, both employers and apprentices were generally positive about the impact of the provision, with apprentices, employers and stakeholders agreeing that the work placements have been extremely successful and have had an impact on the skill levels and employability of apprentices, albeit that apprentices following one of the two pathways (interactive media) and those

¹⁰⁰ Evaluation of the Creative Apprenticeships Pilot Project, Wavehill, December 2011.

¹⁰¹ SPF Project Research Report, Asset Skills, 2011

based in North Wales were much less enthusiastic¹⁰². Moreover, seven of the 12 apprentices were reported to have been offered continuing employment after the end of their apprenticeship.

Some *caveats* do need to be made here. In particular, many of the new recruit apprentices to the CCS and Skillset Apprenticeships were also able to benefit from the Young Recruits subsidy offered by the Welsh Government¹⁰³. This means that, in addition to benefiting from free training as a result of the SPFP project, employers have also been able to benefit from wage costs which are significantly below the normal apprentice wage. This makes it difficult to disentangle the effects of the pilot project from the Young Recruits scheme in terms of the willingness of employers to take part, and the perception of the cost-benefit equation of participation. For example, one of the employers we interviewed who took part in the CCS project was clear that, though extremely eager to take on further apprentices, without the additional wage subsidy this would be impossible.

Secondly, in the case of Asset Skills, there does appear to be some evidence that the attractiveness of the apprentice badged qualifications was that training for existing employees could be provided without charge, encouraging employers who might otherwise have accessed other broadly similar provision (albeit possibly not accredited). The project-level evaluation reveals that 55% of participating employers said that they had been actively looking to arrange similar training in any case and the fact that the training was subsidised was one of the two most important reasons for accessing the training¹⁰⁴. Similarly, both of the employers we interviewed (one in the public sector and one a private multinational) are committed to providing training for their staff, and the private company said that in the absence of the provision, they would have looked for other providers, possibly in England, commenting:

¹⁰² Evaluation of the Skillset Cymru Apprenticeship in Creative and Digital Media Pilot - Final Report, Arad, December 2011.

¹⁰³ See :

<http://wales.gov.uk/topics/educationandskills/skillsandtraining/apprenticeships/youngrecruitsprogramme/?lang=en>

¹⁰⁴ SPF Project Research Report, Asset Skills, 2011

‘It’s always nice to get training for free, just because training can be so expensive’.

Despite these reservations, these projects do appear to have succeeded in delivering new training provision in Wales. Moreover, in these cases, a route to mainstreaming does appear to be available through the recently issued work-based learning contracts and in each case, most of the learning providers who have been engaged with the pilot are intending to continue to deliver the qualifications using work-based learning contracts. In total, CCS are hoping to deliver around 80 apprenticeship places in the coming year, aided in part by EIF funding of an apprenticeship co-ordinator for Wales, while Skillset are supporting 18 apprentices. Asset Skills are, of course, still delivering their apprenticeships thanks to the extension of the project to July 2012 but expect provision to continue thereafter.

This is not entirely straightforward, however. In some cases, learning providers have not specified these vocational areas in their bids for contracts, and are unsure whether it will be possible to make adjustments retrospectively. In the case of Asset Skills, for example, some providers are hoping to include certain apprenticeship pathways in other categories (e.g. surveying in construction) while other providers are hoping to use other ESF projects to continue delivery.

In other cases, scalability was an issue. The pilots have allowed providers to run provision with far smaller groups than would normally be financially viable under work-based learning contracts. Indeed, one SSC argued that there remains a fundamental issue over how to fund niche apprenticeship provision, even in priority sectors, since these would never look as attractive in terms of financial modelling as apprenticeships in construction or manufacturing:

‘The funding methodology doesn’t work for sectors like ours with low numbers but which are economically important. It just doesn’t work because of the numbers. It became patently obvious as the colleges moved towards the end of the project...it was easier to stay with

something like construction, where you can recruit 600 people without trying’.

Furthermore, given the ceilings applied to work-based learning contracts, it is clear that while the pilots may result in enhanced provision within these sectors, any additional apprenticeships offered will displace provision in other sectors. Indeed, in the case of another project (Skillsmart Retail), the fairly tight restrictions on the overall scale of work-based learning contracts are said to have had a major negative impact on the ‘capacity to take forward initiatives which were already underway to increase the provision of training in the retail sector’.

7.3.5 Low Carbon Skills

Outside the apprenticeship projects, the two largest projects, the Low Carbon project and the SEMTA-led Tailor Made Training, have also involved an element of additional, and sometimes innovative provision.

In the case of Low Carbon, a wide range of niche training opportunities - mostly short courses - have been offered, which include:

- Domestic Energy Advisors project (Asset Skills);
- an Energy Awareness project (Asset Skills);
- Construction Skills External Wall Insulation project (Construction Skills);
- Sustainable Construction for New Entrants (Construction Skills);
- Sustainable Construction for Existing Workforce (Construction Skills);
- Sustaining Construction – Train the Trainer (Construction Skills);
- Sustaining Traditional Buildings – Plastering (Construction Skills);
- Sustaining Traditional Buildings – Brickwork (Construction Skills);
- Sustaining Traditional Buildings – Lead work (Construction Skills);
- Sustaining Traditional Buildings – Train the Trainer (Construction Skills);
- Wind Turbine Technology (Energy and Utility Skills);
- Framework Project (Energy and Utility Skills);
- Repair and Maintenance of Pre-1919 Buildings (Construction Skills);

and

- Environmental Technologies (Summit Skills);

Some of these involve distinctly new elements of provision - notably the EU Skills strand of Wind Turbine Technology Skills (though here too the provision largely consists of combining previously available units of training in a way which is useful for this emerging sector) - or new approaches, for example the piloting of separate tailored training provision on sustainable construction for new entrants and experienced employees, which according to interviewees reduces the risk of those with considerable experience in the sector disengaging from the learning.

Even so, it is clear that there has been an element of improvisation around this project, with new provision being brought on stream which was not envisaged in the original project plan (and some elements of the original project proposal, notably the Summit Skills element, failing to materialise despite the fact it was intended to address the highly topical subject of accredited training related to solar panels). While these developments appear to have partly been in response to emerging evidence of particular demand, they also appear to have been driven in large part by the need to hit targets for learner numbers, with some elements – notably the Repair and Maintenance of Pre-1919 buildings - proving surprisingly popular and uncovering a demand which was not previously appreciated.

Feedback from providers was generally positive on their participation in the project. Crucial here, however, is the question of mainstreaming. While some new provision has undoubtedly been offered, it is unclear how far this can and will be mainstreamed without the dedicated funding stream provided by the SPFP Programme. Some stakeholders suggested certain elements, such as the Wind Turbine Technology will continue to be delivered fully-funded by employers, while Construction Skills is clearly in a stronger position to shape provision than other SSCs given its levy funding, but for the most part it seems likely that the provision will not be sustained in the short-term. In the longer-term, the development of the Green Deal initiative, funded by the UK

Government is, however, expected to offer some possibility for taking at least some elements forward.

In terms of the relevance of the training offered to employers and participants, the final project-level evaluation (which was, of course, completed well before the end of the extended project) suggests that most learners – whether following longer or shorter courses - have increased their knowledge and skills, with large proportions of learners feeling more aware of how to reduce the environmental impact of their job (68%), and how to advise on environmental issues (83%). A lower, but still significant proportion, said that they have been able to apply their knowledge/skills in practice for example by offering customers or colleagues advice about environmental issues (45%) or encouraging colleagues to reduce the environmental impact of their work (32%)¹⁰⁵.

Less positively, the report notes that:

‘For a variety of reasons, many learners did not complete the training (although at this point we cannot quantify the scale of this non-completion from the data that we have received)’¹⁰⁶.

From the employers’ perspective, the report notes that at the time of their fieldwork, many employers were not able to comment on the benefits of the project because they were still engaged with the project¹⁰⁷, but concludes that:

- ‘Employers are beginning to understand the likely benefits of the training in terms of the new skills of their staff, the benefits of the accredited learning when they bid for work and, in some cases, the ability to move into new markets.
- There is some evidence that the programme has given employers the

¹⁰⁵ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012

¹⁰⁶ Ibid.

¹⁰⁷ Ibid., pp. 6-7 ‘Because training delivery was taking place later than planned in many cases several employers had not had the opportunity to discuss the delivery of the training with their employees prior to the interview and so were unable to comment. Equally, many employers felt that they were unable to speculate on the *expected* future impacts of the training. They more often termed this as the future impacts that they *hoped for*...As a consequence, this is not a truly summative evaluation of the programme’.

stimulus to invest in future training in particular areas but this appears to be focussed on particular pilots'¹⁰⁸.

Our own fieldwork with employers and employees suggests somewhat mixed experience in terms of the relevance, quality and timeliness of the training around the project, but a view from all four employers that the training provided (under three different strands of the project) is highly specialised and not widely available in Wales. Three of the four emphasised that the fact the training was free or subsidised made a significant difference to their willingness to take part, but in one case the employer (a large private sector organisation which had put 11 employees through the one day course) was clear that they would have paid the same provider to provide the same course had the project not existed, as there were strong (though not statutory) health and safety reasons for doing so. Another two of the employers (both in the voluntary sector) have been able to begin delivering a new service as a result of the training and in both cases, they felt that they would have tried to source the training elsewhere (quite possibly outside Wales) had the provision not been available.

In these cases, the project has arguably made it easier and cheaper for employers to access training, rather than fundamentally widened or raised access to training.

The fourth employer was certain that he would not have sought out the training had it not been for the project but felt the provision has had a range of benefits:

‘The guys now appreciate what they are doing. They are less likely to cut a corner or do something off their own back because they now understand the reasons for using a specific approach or doing something to a specific standard. So there’s an impact on quality of work’.

¹⁰⁸ Ibid.

‘Also our clients do pick up on the training we do and you become known as a company that trains its staff, has all the accreditation in place. That helps you win contracts or at least allows you to bid for contracts’.

Employees were generally very positive about the impact of the training on their confidence and capacity even though in two cases the qualification is below the level of existing academic qualifications, with one pointing out that:

‘Qualification levels misses the point a bit because this is about specific industry knowledge’.

In another case, however, the employee left school with no more than a handful of GCSEs and has had relatively little training apart from statutory requirements. This participant felt the opportunity to undertake the training had boosted his morale, confidence and capability, and encouraged him to consider further training opportunities.

7.3.6 SEMTA

In terms of the SEMTA project, the innovation consists less in the content of the training generally provided (which for the most part consists of established approaches to manufacturing systems such as Six Sigma) but in the whole approach, with a strong emphasis on a diagnostic process focused on identifying skills needs to enhance performance, leading to the development of bespoke solutions in terms of training provision. Interviewees from learning providers and other stakeholders (which included a number of representatives from DBETS supported sectoral fora) were generally positive about this approach, which is seen as straddling the divide between business development and skills development (‘a blend of training and consultancy support’).

The project appears to have done well to meet the targets set for it, despite the reduction of the budget.

Learning providers, particularly from the FE sector, argued that participation has forced them to work in a different way which is more responsive to employers:

‘They [employers] are getting exactly what they want and nothing that they don’t...We’ve done some work-based learning in the past but nothing on this scale. The concept is ideal’.

One stakeholder did, however, point out that in essence Tailor Made Training is very close in concept to the Welsh Government’s own Workforce Development Programme, though in practice this individual did not believe they are in direct competition.

Evidence from the project-level evaluation suggests that the training provided has received a warm response from participating employers, and led to real benefits in terms of company performance:

- ‘The TMT training programme is considered a major success from the perspective of the companies investing, co-designing and receiving the training.
- All businesses that engaged in the training can show improvements to their performance and capability to compete in the future.
- Many companies can quantify the “pay back” of their investments in training with very impressive returns generated.
- All businesses would engage with the programme again and would support additional investments, a second generation of TMT¹⁰⁹.

Again here, however, the critical issue would appear to be mainstreaming. While the project appears to have been relatively successful, compared to other projects, in terms of leveraging in employers’ contributions, stakeholders generally did not believe the approach is sustainable without the funding which is providing the ‘front end’ of the system. There appears no prospect of this being available through current Welsh Government funding mechanisms.

¹⁰⁹ Evaluation of the Tailor Made Training (TMT), Montalt Enrich Ltd., December 2012.

7.3.7 Conclusions

Overall, then, it seems fair to conclude that:

- the SPFP projects have allowed for a range of new provision to be piloted in Wales, some of which have been valued by employers. It is, of course, in the nature of pilots that they cannot all expect to be successful;
- less of this provision has involved wholly new training ‘products’ than appears to have been intended when the projects were developed. In most cases, they have been lightly adapted from provision elsewhere in the UK (though still for the most part new to Wales);
- there has been some innovation in terms of the broader approach to training delivery, notably in the SEMTA project and this project also appears to have met employers needs for flexible and bespoke delivery;
- there has been a widely varying response in terms of take-up of this new training, but some seems generally to have both been popular and to have delivered worthwhile results in terms of enhancing skills levels and opening up new opportunities for training. This is particularly true of the CCS and Asset Skills Apprenticeships, but also of the Skillset apprenticeship and the IMI project;
- the performance of the Low Carbon and People 1st projects, two of the three largest projects at approval stage, and the EU Skills project has been patchy in terms of successfully delivering innovative provision which employers and employees have valued but would not have accessed had the projects not existed, while the Cogent project failed to get off the ground;
- much of the provision (in terms of Low Carbon, People 1st, EU Skills and IMI projects) has been of relatively short courses, so the impact on learners may have been relatively limited; and
- mainstreaming of successful new provision is likely to be challenging, even where, as with the apprenticeships, there appears to be a viable route forward.

More generally, as is clear from the monitoring data (chapter 4), while some projects and elements of projects have succeeded in generating interest, take-up of new provision generally has been less than was anticipated when projects were developed. This is largely attributed to:

- short and compressed timescales as a result of delays in moving from project conception to implementation;
- the economic climate, with employers reluctant to free up financial or even human resources to invest in training ('the economic environment means that employers are in retrenchment mode...they're saying to us that they've got a two month survival window...they think they're in real danger of closure'); and
- the availability of 'free' or more highly subsidised training in similar areas, not least due to 'competition' from other ESF projects, for example the Pembrokeshire Energy Group project in the case of Cogent, Deeside College 'Skills for the Workforce' project in the case of the SEMTA project or the Chwarae Teg 'Agile Nation' project in the case of EU Skills Women at Work strand.

In some projects there has also been a tendency for actual delivery to be at lower qualification levels than envisaged. This is the case with the IMI project, where the focus of interest has been on the Level 2 hybrid vehicle qualification rather than the Level 3 Climate Control qualification and the People 1st project where the planned Level 4 Triple A programme for chefs has been re-pitched to Level 3.

7.4 Partnerships

In terms of the third programme objective, 'to facilitate and encourage the strengthening of partnership arrangements across individual SSCs and also between SSCs and training providers to ensure that skills interventions targeted at employers become more responsive', the experience from the 14 projects is quite varied.

7.4.1. Partnership between SSCs

Three of the projects were specifically collaborative projects, each involving several SSCs. Experience here is very mixed, though, as noted in chapter 5, in all three it would appear that additional effort has been needed to move things forward 'simply because you have more people around the table and each has their own ways of working'.

The Food and Drink study seems to have been the closest to a genuine collaboration, though interviewees at the time of our first phase of research generally stressed that in practice the project has largely been driven by the lead SSC, Lantra.

The extension to the project to March has enabled additional dissemination activity to be undertaken, and while Lantra again took lead responsibility for the creation of new resources, three of the four SSCs have been involved in organising dissemination events within their footprints. In the case of the fourth, this was seen to be impractical because 'they just haven't got anyone working in Wales at the moment'.

SSC and Welsh Government interviewees had mixed views as to whether or not the experience of collaborating on the project (which in itself had come out of earlier joint working between the SSCs in the context of the former Food and Drink Advisory Board) will result in collaboration on any future work on developing training provision to meet the gaps identified in the research. Several interviewees felt that in practice, each SSC will probably develop its own approach, for example to developing qualifications frameworks, though in April 2012 discussions were also underway around the possibility of developing a new collaborative project, focused on qualification development and training delivery (as had originally been envisaged during the latter stages of the project) should a second round of SPFP projects be funded.

As noted in chapter 5, those interviewees with an insight into the Low Carbon project generally felt that the collaboration between SSCs has been extremely

fraught and the project-level evaluation notes that:

‘There were several difficulties in implementing a cross-SSC programme, including other SSCs having to use the Construction Skills’ procurement processes, with which they were unfamiliar’¹¹⁰.

In practice, the individual partner SSCs have largely delivered (or in some cases failed to deliver) provision autonomously, with the project appearing to be more a collection of different interventions than a coherent whole.

On this basis, some stakeholders felt that the long-term effect of the project will be to undermine, rather than encourage, the prospect of closer working relationships between participating SSCs in the future.

However, other interviewees argued that in fact the experience from the project has proved an invaluable learning experience, not least about the need to build in sufficiently long lead-in times for collaborative projects, in the context of moves at a UK level to cement joint working between the SSCs who are partners in the project. These four SSCs have now formed the Green Deal Skills Alliance (GDSA), to respond to the UK Government’s Green Deal agenda, which has already accessed funding from the EIF and which is also said to be developing ESF funding applications. It was argued by some stakeholders who are closely involved with these developments – and by the project-level evaluation - that the work and working arrangements of the GDSA have been informed by the pilot collaboration on the SPFP project and that the SPFP has provided the opportunity for a pioneer project that has led the way in this closer working.

In terms of the SEMTA project, this appears to have been far smoother in terms of the relationship between the three SSCs involved. However, all the interviewees agreed that this is largely because SEMTA was willing and able to drive the project forward, with the other SSCs content to take a more passive role in terms of delivery. To this extent, it is not clear that the project has really marked a step change in collaborative working.

¹¹⁰ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012

A number of stakeholders felt that changes to the UK agenda with regard to SSCs have in practice undermined the attempts to nurture collaboration between SSCs. The replacement of a core-funding model with one which is much more reliant on SSCs securing funding through competitive bidding regimes is seen as feeding rivalry between SSCs, and destabilising a considerable number of less financially robust SSCs, with a series of mergers, takeovers, or even simply collapses of SSCs in prospect. This environment is seen as one which makes it difficult, if not impossible, for the Welsh Government to encourage SSCs to build partnerships. Thus, one of the SSCs interested in developing a collaborative project for a potential second round of the SPFP noted:

‘It might be even more difficult to put together a collaborative project...some chief executives will be asking difficult questions about how does this help us to become self-financing’.

7.4.2 Partnerships between SSCs and learning providers

In terms of the relationship between SSCs and learning providers, it is clear from our fieldwork that a number of projects have certainly led to new relationships being developed between individual SSCs and specific providers. Interestingly, to some extent at least this is a result of procurement processes, which have allowed providers to come forward who did not have established relationships with SSCs.

There are a number of examples of projects where new relationships (particularly between SSCs and FEIs) have been developed as a result of the projects.

Firstly, each of three apprenticeship projects has involved the development of apprenticeships in new areas of the curriculum. Provision in all of the projects has been largely sourced from FEIs, who are generally very positive about the opportunity to develop this new engagement with work-based learning, with one saying:

‘There were hardly any links between us before this project. It’s been key to unlocking the relationship...there’s been lots of good communication’.

All but one of the Welsh providers delivering the CCS Apprenticeships are expecting to continue to offer the provision going forward, while in the case of Skillset, one of the two colleges involved with the pilot is continuing to deliver Skillset Apprenticeships, while the other (where there were more problems) is hoping to re-enter the market in the future.

As already noted, within the Asset Skills project, Facilities Management is seen as a shining success, where providers have been able to develop a new market in partnership with the SSC which neither was previously aware of.

The SEMTA led Tailor Made Training project has built on some strong pre-existing relationships but has also brought in new providers, not least on the back of a consortium, pan-Wales tender developed by Coleg Sir Gar (‘it’s a bit of a mix of old faithfuls and some new ones’).

In terms of the Low Carbon project, although the procurement exercise was contested and difficult, a number of new suppliers have entered the market, with the project-level evaluation reporting¹¹¹:

‘Several providers moved into new areas of training, and in some cases, it was their first venture into the area of low carbon training... Most providers believe that the training and the experience will improve their mainstream provision for new entrants. Several other providers will continue to offer pilots on a commercial basis.’

There has also been a train the trainer element to Construction Skills provision within the Low Carbon project, notably in respect of developing awareness of sustainable construction and traditional construction skills and

¹¹¹ Ibid.

this seems to have been successful from the perspective of the training providers. The project-level evaluation reports that 72% of participating training provider staff felt that this has deepened their knowledge, for example¹¹².

Against this, there are some less positive results to report. In several cases, notably the larger projects (Tailor Made Training and Low Carbon Skills), the procurement has led to the creation of fairly large call-down panels, where many of the 'successful' providers have never been used. In the case of the former, for example, only 12 of 51 providers have received work from the contract. Similarly, only around five of the 15 retained providers under the EU Skills project have been used for training delivery, while in the Cogent project, a procurement exercise was undertaken but no training delivery was commissioned. While we have not talked to providers who have not delivered, it is to be expected that this experience may have deterred these providers from seeking to engage in ongoing collaboration with SSCs.

A number of other projects also involve elements of CPD or training the trainer, which may be expected to have strengthened links between the SSCs and providers, even where these links already existed, as well as building provider capacity.

The EU Skills SHEA strand has involved training 10 training consultants (a mix of individuals and staff of learning providers) to deliver training linked to the SHEA accreditation and passport. While the experience of these appears to have been somewhat mixed in terms of the extent to which this provides the foundation for closer working in the short-term, the providers we spoke to were generally very positive, feeling that it has enabled them to develop their 'offer', not least by providing the training to those seeking work.

The Cogent project, despite the significant problems it encountered in persuading employers to take up provision because of its cost, has also succeeded in developing and delivering a short CPD course to six providers

¹¹² Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012

who were already active within the sector, thus increasing links between the SSC and these providers. In total, according to an internal evaluation report by Cogent to the SPFP Unit, six learning providers undertook CPD modules relating to the delivery of a range of qualifications relevant to the sector and also undertook a site visit to an oil refinery in Pembrokeshire ‘to improve their familiarity with the environment in which their potential customers are operating, and to improve the sector-contextualisation of the training provision’¹¹³.

Finally, a significant strand of the People 1st project has been the Educators Learning Programme. This involves developing and delivering a programme targeted at Hospitality, Leisure, Travel and Tourism staff within learning providers in order to ‘build the confidence and expertise of providers to engage employers and deliver work-based learning more effectively’¹¹⁴. Perhaps unsurprisingly as this has involved study visits to sites demonstrating good practice in hospitality, as well as a final ‘skills conference’ held in Cardiff, this has proved popular and is likely to have encouraged the goodwill of participants.

The People 1st project has also involved training contracted providers in delivering qualifications linked to WorldHost (with 27 staff trained), which it is hoped will subsequently become viable to provide on a full-cost recovery basis.

7.5 Building Capacity and Infrastructure

The fourth programme objective is to:

‘enable both SSCs and training providers to build capacity and infrastructure, particularly in new areas of training delivery to employers and to support transition to the new funding system’.

7.5.1 Transition to the new funding system

As has already been seen (chapter 2), the evolution of the policy agenda since the SPFP Programme was first conceived has significantly undermined

¹¹³ Final evaluation report, Cogent, 2012.

¹¹⁴ Project contract between People 1st and the Welsh Government

this objective, removing both the intended driver in the shape of the new funding system, and equally importantly, the obvious mainstreaming route which the Sector Priorities Fund, in its original format, represented. It remains to be seen whether the current review of post-16 funding will open up new possibilities in this regard.

In a small number of cases, this has been reflected in a sluggish or patchy response to procurement exercises. Thus CCS, for example, found that there were considerable gaps in the geographical coverage of providers interested in delivering some of its apprenticeships. Similarly, several tenders for elements of the Low Carbon skills project received no or an inadequate number of responses.

7.5.2 Provider capacity

However, as discussed in section 7.4 above, the SPFP has encouraged some new entrants, particularly from the FE sector, to work with specific SSCs, and thus to develop their capacity to develop work-based learning in new sectors. This is true not just for the apprenticeship projects but also in some of the smaller projects, for example the EU Skills SHEA strand, which has led to the creation of a waste management provider network and which has opened up opportunities for some of the providers to deliver ongoing training in what was, for them, a new sector.

Furthermore the SEMTA, Low Carbon and IMI projects appear to have encouraged providers to develop new types of engagement with employers, with one of the colleges in the IMI project delivering training at employers' premises for example, which was strongly welcomed by the employers we spoke to.

As we have seen (section 7.4), the project-level evaluation of the Low Carbon project found that providers generally believe that engagement in the project has built competence and capacity. Moreover, half of the providers believe that they have been able to introduce a new service as a result of

participation¹¹⁵.

In similar vein, the project-level evaluation of the SEMTA project reports that it is regarded as a success from the perspective of the training providers/accreditors of trained employees, with the providers having enjoyed a much deeper relationship with their clients and having gained experience of using diagnostic skills to develop bespoke training for their clients¹¹⁶. The evaluation and our own fieldwork suggests that participation in the project has encouraged providers (particularly from the FE sector) to offer more flexible forms of training provision (e.g. at employers' premises). This is also the case with the Asset Skills project, where the project-level evaluation reports that employers appreciate the flexibility shown by providers¹¹⁷.

Similarly, the People 1st project-level evaluation reports that the Educators Learning Programme has 'created stepped improvements in teaching, applying best practice through networking, better use of site visits and employer contacts and more varied use of equipment and methods', with participants in focus groups held by the evaluators reporting that they have introduced 'more innovative teaching as a result of their experience in the project'¹¹⁸.

Generally, learning providers that we spoke to were also very positive about their participation in SPFP projects which they argue has built their skills and experience:

'We've gained a lot of knowledge about what employers are looking for as a faculty... [so] we're tweaking some of our more traditional courses... [strengthening] the forensic and diagnostic elements of our classroom-based courses with case studies'.

There is also recognition that tight timescales have forced them to find new ways of working, particularly in terms of delivering apprenticeships in a

¹¹⁵ Evaluation of the Delivering Low Carbon Skills in Wales Programme, GHK, March 2012.

¹¹⁶ Evaluation of the Tailor Made Training (TMT), Montalt Enrich Ltd., December 2012.

¹¹⁷ SPF Training Project Research Report, Asset Skills, December 2011.

¹¹⁸ An Evaluation of the People 1st Sector Priorities Fund Pilot for Wales, Teevan Consulting Network, December 2011.

different way, though this was not universally liked:

‘We had to complete in four to six months what would normally take 12 months’.

Even so, while this engagement may have built capacity, it is not clear that that capacity will be utilised going forward. As already noted, while some of the apprenticeship provision is being taken forward into 2012 – without the benefit of SPFP funding but as part of mainstream work-based learning contracts – providers are uncertain how far this can be sustained given the fairly tight constraints of these contracts in terms of learner volumes and the fact that some of the apprenticeship frameworks which have been piloted are seen as occupying quite small ‘niches’ which are unlikely to yield sufficient numbers of candidates going forward to justify courses being run.

Similarly with the IMI project, while the two providers entered into the project enthusiastically – to the extent of purchasing hybrid vehicles (without funding from the project) to use in training delivery - there are some indications that demand is too limited to maintain this provision into the future. Sustainability is also, of course, a key challenge for the SEMTA and (perhaps to a lesser extent) Low Carbon projects.

One very clear issue looking across the 14 projects relates to the very different degree of engagement with the projects across different FEIs. Two stand out, both of which, interestingly, have recently undergone major mergers and restructuring; Coleg Llandrillo and Cardiff and Vale College. These two Institutions have been engaged with a wide range of SPFP projects. Others seem to have played a more modest role, restricted to one or two of the projects (Bridgend, Gower, Gwent, Sir Gar) while others – including ones which have a strong previous track record of employer engagement such as Deeside College and Pembrokeshire College and which themselves are engaged with a number of ESF-funded workforce development - appear to have played little or no role. The reasons for this merit further investigation.

7.5.3 *Employer engagement capacity*

Turning to the question of whether the programme has developed the capacity of both SSCs and learning providers to undertake employer engagement, the picture is again mixed.

For some SSCs, the SPFP projects have provided a real boost in employer engagement because they have given the SSC something specific to promote and discuss with employers. Several SSC interviewees suggested that the lack of any distinctive 'product' has, in the past, made it difficult to generate interest amongst employers, who are not interested in talking about broader policy.

In terms of the projects themselves, responsibility for employer recruitment has varied, largely reflecting the historic capacity of different SSCs to build relationships with Welsh employers.

At one extreme, for example, SEMTA, Skillset and to some extent Construction Skills have largely been responsible for identifying employers and directing them towards provision funded by the programme. Although Skillset, in particular, has struggled to reach the (rather modest) targets for learner numbers, this generally has been well received by the providers, although the project-level evaluation of the Skillset project suggests there is a need for more direct contact between the FE providers and employers¹¹⁹.

In other cases, SSCs have relied more heavily on contracted training providers to identify employers and recruit them. This is seen to be the case with the CCS and Asset Skills projects, for example, though in both instances our fieldwork suggests the SSCs did some considerable groundwork in signposting employers towards provision. This is also the case with the EU Skills and IMI projects. In these cases, providers we spoke to generally felt that SSCs might have been expected to add more value in terms of identifying

¹¹⁹ Evaluation of the Skillset Cymru Apprenticeship in Creative and Digital Media Pilot, Final Report, Arad, December 2011,.

and targeting appropriate employers, though here too, providers did report that the projects have increased their range of employer contacts¹²⁰.

In the case of the People 1st project, the SSC initially took responsibility for generating interest in SPFP-funded provision, but in practice, employers have been recruited both by one or two proactive training providers and by People 1st. In this case, as already noted, results have fallen considerably short of the targets set, with the project-level evaluation in part blaming providers for failure to generate sufficient interest from employers.

In general, it would appear that most projects have found an appropriate equilibrium between SSC-led and provider-led employer engagement given different partners' pre-existing capacity, and it is therefore not entirely clear that the programme has itself built capacity. However, interviewees within both SSCs and learning providers did point to examples where the other partner's employer engagement has led them to establish relationships with employers who they were not previously aware of, thus strengthening the engagement between employers and the training 'system'.

7.6. Raising awareness of Equal Opportunities

In terms of equal opportunities, the first of the two mandatory cross-cutting themes for all ESF funded projects, the programme objective is to:

‘raise partner organisation awareness of their requirements under equal opportunities legislation and promote equality of access to both training and employment to under-represented groups. It will also be expected that training providers themselves will have adopted or improved equality and diversity strategies and monitoring systems’.

In practice, it would appear that relatively little has been done to address this objective. The SPFP Unit pointed out that since training providers in receipt of public funding are already required to have equal opportunities policies and practices in place, and since the contact with employers is too indirect, it was

¹²⁰ This was true for example of the EU Skills Women at Work strand according to the project-level evaluation: Evaluation of EU Skills SPFP Projects, Miller Research, December 2011

agreed that the main way in which this would be addressed would be by offering assistance to SSCs to ensure their equal opportunities policies and practices were appropriate; in reality, the SPFP unit has confirmed that every SSC has an appropriate equal opportunities policy in place and has not needed to offer additional support.

Apart from this, virtually none of the stakeholders interviewed were able to identify specific actions which have been taken to address this cross-cutting theme, with several admitting that it has been very much on the back burner.

In terms of the 14 projects, there is also relatively little evidence of specific efforts being made to promote access to training and employment by under-represented groups. Certainly, as a cross-cutting theme, equal opportunities appears to have had a low profile, with few of the small number of employers and employees we interviewed being able to identify any specific equalities dimension to their engagement with the project and with the project-level evaluations generally silent on these issues.

A number of specific project strands are related to equalities issues however, notably the Women at Work strand of the EU Skills project, though this has struggled to reach the target number of participants and seems to have had mixed success in terms of adding value (section 7.2). While a subsidiary aim of this project is to boost female participation and progression in the energy sector, the provision has in practice focused on existing employees and provided mostly generic training, such as IT skills and conflict management, rather than sector-specific skills.

Similarly, whereas an objective of the CCS project is to boost diversity in the sector by supporting new entrants, this has not materialised to any great extent due to the fact that the majority of the apprentices are existing employees within the sector.

The People 1st project also involves a research element, which in part at least seeks to understand the barriers to career progression among women chefs.

But while this report contains an analysis of the barriers faced by women in their career in this sector, highlighting issues around workplace culture, it is not clear how and whether this will lead to any action to address them (see section 7.1).

In terms of the demographics of participants, Table 7.1 compares actual outturns, as of 31 March 2012 with the targets set out in the prospectus. It needs to be emphasised that at this point there remains a backlog in data entry, meaning that the comparisons between absolute numbers are less useful than those between percentages.

Table 7.1: Demographic characteristics of participants

Indicator	Convergence - target	Convergence - latest	East Wales - target	East Wales- actual	Total - target	Total- actual
Female participants	1,687	366	1,125	164	2,812	530
% female participants of all	70%	30%	70%	38%	70%	32%
BME participants	313	10	209	11	522	21
% BME participants of all	13%	1%	13%	3%	13%	1%
Older participants	771	121	514	43	1285	164
% older participants of all	32%	10%	32%	10%	32%	10%
Participants with disability	N/A	28	N/A	9	N/A	37
% participants with disability of all	N/A	2%	N/A	2%	N/A	2%
Female participants gaining qualifications	1,175	230	783	100	1,958	330
% female participants gaining qualifications of all participants gaining qualifications	N/A	51%	N/A	54%	N/A	52%
% female participants gaining quails of all female participants	49%	63%	49%	61%	49%	62%

Source: SPFP Prospectus and Monitoring Report as of 31 March 2012

It is clear that the programme has not succeeded in reaching anything like the proportion of women, BME or older participants envisaged in the prospectus. Indeed, women represent less than a third of overall participants compared to

a target of 70%. It is likely that this can largely be attributed to the 'mix' of projects approved (and, indeed, the exclusion of the public sector workforce, which is, of course, disproportionately female), with the largest projects targeting the manufacturing and the built environment sectors both of which having largely male workforces.

Older participants are also a far smaller proportion of overall participants than envisaged, while the numbers of BME and disabled participants are very small. However, more positively, a higher proportion of female participants appear to be gaining qualifications than was envisaged in the prospectus.

Some of the relatively poor performance on equality issues can be attributed to poor target setting in the context of the employers who were eligible. Thus, it is doubtful whether 70% was a realistic target for female participants, given the fact that the public sector workforce is not eligible. Similarly, the targets for BME participants also look high by comparison with the proportion of BME workers in the labour force. Nevertheless, the data reinforces the perception that equal opportunities has not been given a high priority in the implementation of the pilot projects.

7.7. Environmental sustainability

The programme objective in respect of the second cross-cutting theme, environmental sustainability is to:

'support the development of specialist skills training for environmental sustainability, with at least four of the projects delivering training in areas such as renewable energy, zero-carbon, lean manufacturing processes and waste management'.

In practice, this objective has been met with four projects – principally, of course the Low Carbon project (which is the largest project and which involves a consistent focus on skills related to 'green' technologies), and those led by EU Skills, SEMTA and Asset Skills – having some degree of relevance to environmental sustainability. It might be argued however, that this is relatively slight or marginal in the case of the last two. Environmental Services

is only one of five vocational pathways delivered by the Asset Skills project, while the driver for the SEMTA project's promotion of lean manufacturing is economic efficiency rather than resource minimisation.

Against this, the evidence in respect of the Low Carbon skills project does point towards a relatively significant impact in terms of not just raising awareness of the environmental impact of different work techniques and methods but also of changing behaviours. As we have seen (section 7.4) the project has increased provider engagement and capacity in terms of delivering low carbon skills training, while the project-level evaluation suggests more than two-thirds of trainees said they are more aware of how to reduce the environmental impact of their job, and 83% said they are more able to provide advice on environmental issues¹²¹.

Moreover, the IMI project, providing training on hybrid vehicles has also enabled some progress to be made on putting in place an infrastructure to support more environmentally friendly motoring.

More widely, however, stakeholders, SSCs and other interviewees were generally not able to comment on the way in which environmental sustainability has been considered as a cross-cutting theme in the development and delivery of the programme. One SSC has received advice from the SPFP Unit as a result of the project on its environmental policies and practices.

One central stakeholder argued that an opportunity has been missed to use the programme requirement to consider environmental sustainability to challenge SSCs about their way of operating, arguing that most SSCs give little evidence of commitment e.g. to minimising unnecessary travel and, more particularly, use of cars, although another pointed to the increased use of video-conferencing as being a positive development.

7.8 Employer financial contributions

¹²¹ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012

Finally, the last stated objective of the programme is to:

‘test the impact of the employer financial contribution on employers’ attitude towards investing in skills’.

As we have seen (in section 4.2), the anticipated financial contribution of employers towards the cost of the pilot projects is small, at around 7% of total project costs. Taking into account that a large part of this is accounted for by contributions from the employers’ levy controlled by Construction Skills (with the Low Carbon project accounting for 45% of this sum), it seems clear that the programme has largely failed to secure any significant financial contribution from employers to the cost of training, albeit, of course, that employers have met the wage costs of time off for training.

To some extent, the relatively poor performance of the programme in this regard is due to the ‘mix’ between different types of interventions, in particular:

- the relatively strong representation of research projects where employers’ contributions were never expected: as noted in section 4.3, almost 70% of employers recorded as having been assisted by the programme have been involved only as participants in or recipients of dissemination activities about, research projects; and
- the major part played by apprenticeship-focused projects, where policy has been set in line with existing apprenticeships. This means that employers are not expected to contribute financially to the costs of the training since they are already paying the salary costs of the apprentices. However, it might be noted here that since employers in the CCS and Skillset Apprenticeships have generally benefited from support from the Welsh Government Young Recruits¹²² programme where apprentices were not previously employed, they generally are making a very modest contribution of around £45 per week to wage costs. This may have represented good value from their perspective, but arguably does little to encourage a culture of investment in employee skills.

¹²² See:

<http://wales.gov.uk/topics/educationandskills/skillsandtraining/apprenticeships/youngrecruitsprogramme/?lang=en>

Even so, evidence from the project-level evaluations and from our fieldwork suggests that even in some cases where employer contributions were envisaged, they have been dropped in the face of resistance or low take-up. Thus, ancillary training provision (outside the apprenticeship framework) within the CCS project which was expected to be co-financed by employers has not been taken up. Similarly in the case of the EU Skills SHEA element, employers have not been asked to contribute to the costs of the training (as was the original intention) but only to meet the costs of the SHEA Card itself, a decision taken very early in the life of the project when EU Skills found it was impossible to persuade SMEs to participate, while in the IMI project providers have had to offer ‘sweeteners’, for example, free places for additional learners from a participating employer, to secure participants.

More generally, projects where employers’ contributions were expected (for example, the People 1st project) have fared relatively poorly. As we have seen, the project-level evaluation suggests that providers and People 1st have struggled to engage employers with WorldHost given ‘market expectation...of high subsidy and very low price points’.

Correspondingly, both project-level evaluations, and our own fieldwork with employers, suggest that the fact that training has been at low or zero cost has been a major factor in encouraging participation in some projects.

Thus in the case of the Low Carbon project, all four of the employers we interviewed thought the subsidy was a key reason for taking up the provision, while employers engaged in the CCS and Skillset Apprenticeships generally stressed that they would not have participated without the prospect of free training, and in some cases also the Young Recruits subsidy. Similarly, in the case of Asset Skills, the project-level evaluation finds that a majority of employers were considering undertaking similar training in any case and that the low cost of the provision was a major incentive¹²³, a view echoed by our interviewees.

¹²³ SPF Training Project Research Report, Asset Skills, December 2011.

Overall, those SSC interviewees and stakeholders able to comment tended to attribute the resistance on the part of employers to the poor economic climate and (to a somewhat lesser extent) to a perceived culture of expecting Government-funded provision to be free. There is little evidence however, that employers would be more willing to make a larger financial contribution in better times.

It seems clear, then, that the programme has not really succeeded in providing evidence of how employers can be encouraged to make a financial contribution to the costs of training delivery - apart from providing evidence that it is extremely challenging to engage them in this way.

8.0 Lessons for the future: success factors and barriers to success

8.1 Introduction

Finally, in terms of considering the overall objectives for the evaluation, we turn to the question of whether conclusions can be drawn from the experience of the 14 projects as to what factors have underpinned success – or, where relevant, the lack of it – in delivering against the original objectives set for them and for the programme as a whole and whether success factors are replicable in any future projects.

We need to emphasise here that it is very difficult to draw conclusions from projects which are so diverse in their intentions and where experience has been so varied.

8.2 Success Factors

One factor which does appear to have emerged quite clearly is the role of variations in the capacity and experience of individual SSCs to develop and deliver projects within Wales.

Several programme-level stakeholders suggested that delivery by individual SSCs in the context of SPFP has been ‘true to form’ and that, regardless of the content of the projects, it might almost have been possible to predict in advance, on the basis of which SSC was responsible, which projects (and, in the case of the Low Carbon project, which elements of projects) would succeed and which would not.

While this might seem unlikely, our own experience of working with SSCs over the last decade would also broadly bear this out. For example, the Checkpoint Review of SSCs’ progress in implementing Sector Skills Agreements¹²⁴ showed relatively strong performance by a group of SSCs which included Asset Skills, Improve, Skillset, Lantra and SkillsActive, with SEMTA and

¹²⁴ Checkpoint Review of the implementation of Sector Skills Agreements in Wales, Old Bell 3, March 2008: formerly published on the Sector Skills Development Agency website but no longer available.

Construction Skills also perceived as performing well in terms of delivery against agreements with the Welsh Government but not engaging evenly with other external partners¹²⁵.

In part, the Checkpoint Review attributed this differential performance to the level of staff resource available to different SSCs in Wales, while also noting that in some cases, high levels of staff turnover appeared to have undermined performance in delivering projects. In this evaluation, the key differentiating factor between projects seems to be the project management capacity and experience of different SSCs. This implies that, if SSCs continue to be a delivery mechanism for Welsh Government skills projects in future, there needs either to be greater selectivity of approach (with only SSCs with a strong track record of delivery being entrusted to deliver such projects) or alternatively, that much stronger 'accompanying measures' are needed in terms of support being provided, or even imposed upon, the weaker SSCs, to buttress in-house project management and in the longer term to develop project management capacity.

Of course, this is in some senses exactly what was intended with the advocates but the slow procurement process made it impossible for them to fulfil any role with respect to project development or setting up appropriate project management systems.

More narrowly, those projects – such as the Food and Drink project, the Skillsmart Retail project, the SkillsActive project and the Asset Skills project, for example – where a project manager has been appointed and has steered the project forward, have clearly benefited from this focus (though this does beg the question, particularly for smaller projects, of the administrative overheads compared to activity). Speaking of a full-time project manager, one interviewee said that 'she's the glue...without her, I doubt that it would work'.

¹²⁵ The report was not able to consider all SSCs. Several – including CCS and EU Skills had not finalised SSAs and a number of others – including Automotive Skills (now IMI) were not able to be considered because of vacancies in key posts.

By contrast, in the case of the Low Carbon project, an unfilled vacancy in the project management role is seen by the project-level evaluation and by our interviewees as a key reason why the project has struggled at times, with the project-level evaluation noting:

‘The programme set-up and the delay in appointing a project manager put the programme on a poor footing which it has failed to overcome’¹²⁶.

Apart from project management expertise and resource, a number of related factors also appear to emerge from the evaluation as important in underpinning the success of some of the projects.

Firstly, those SSCs with greater prior experience of ESF processes and procedures, notably Skillset, SEMTA and (to some extent) Construction Skills, have been able to adjust much more easily to what are widely regarded as the quite onerous administrative requirements of the project. Smaller, less well-resourced SSCs such as IMI, Cogent, EU Skills or SkillsActive seem to have struggled much more, although some have nevertheless managed to deliver results.

Secondly, projects which have had a clear focus, such as the apprenticeship projects (albeit that these each involve a range of learning pathways), and projects developed by IMI, SkillsActive and to some extent SEMTA, have generally fared better than those trying to deliver on several different fronts simultaneously such as the EU Skills, People 1st and Low Carbon projects. Related to this, projects involving collaboration between SSCs appear to build in additional delays and complexities, although the SEMTA project appears to have avoided this because of the willingness of partner SSCs to allow SEMTA to drive ahead the project.

Thirdly, those projects where significant prior development work with providers and employers was undertaken, in advance of projects being approved by the SPFP Unit also appear to have had a significant advantage. Thus, CCS is

¹²⁶ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012.

widely recognised by stakeholders and providers as having put in considerable spadework to raise awareness of, and generate enthusiasm for, the apprenticeship project well before the project commenced, a fact confirmed by our interviews with both employers and providers. Asset Skills is also thought to have undertaken similar preliminary work with the provider network, well in advance of the project being approved and the procurement exercise undertaken.

By contrast, the project-level evaluation of the Low Carbon project, for example, suggests that one cause of the problems encountered by the project was:

‘Preparatory work not commencing until after contracts and subsequent agreements between partners were signed’¹²⁷.

However, a number of interviewees pointed out that this represents a real conundrum for SSCs. On the one hand, it is important to build relationships in advance of the formal start of a project - particularly with the SPFP, where timescales were already compressed - on the other hand, there is a risk too in raising expectations of employers and providers which might not then be realised if projects are not approved or have to change focus.

Apart from these issues, other lessons from the experience of individual projects are difficult to find. Building projects on strong prior research (and experience in England) appears to have been key to some projects success for example, the CCS Apprenticeships or the SEMTA project, which were both long-term key priorities for the respective SSCs. In other cases, interventions based on expectations grounded in SSC LMI (such as the Cogent Gold Standard) have failed. Moreover, some of the apparent successes - such as the very strong response to the Asset Skills Facilities Management provision or to Construction Skills provision of training focused on maintaining pre-1919 buildings - seem to have been relatively unexpected, almost a result of trial and error.

¹²⁷ Evaluation of the Delivering Low Carbon Skills In Wales Programme, GHK, March 2012.

In terms of LMI, while most stakeholders with a knowledge of the project thought that the Food and Drink study is a powerful piece of research, few of them thought it is replicable, since its interest lies principally in the fact it analyses common skills needs across different but related footprints, circumstances which (it was argued) are not really paralleled elsewhere in the labour market.

8.3 Barriers to success

More generally, across the programme, a number of factors (which have been identified earlier in this report) have clearly been relevant to the difficulties experienced by the projects:

- the short timescales for the pilots (in part the result of the delays in finalising the ESF project), particularly once the impact of procurement is taken into account, leaving a very small ‘window’ for training delivery where this was a part of the project;
- the lack of experience and understanding on the part of the SSCs of public procurement processes and the lack of clear hands-on support from the SPFP Unit: while efforts were made to provide guidance, these came rather late in the day¹²⁸;
- the delay in appointing the advocates who might have played a stronger role in ensuring project delivery had they been in post at the start of the programme;
- the fact that some projects were over-ambitious, given timescales and that these were not challenged more rigorously as part of the appraisal process;
- the interaction of projects with other current and recent ESF funded interventions (often providing similar training at lower cost), the relevance of which was not always picked up as part of the project development or approval process;
- the difficult economic climate which may have played a role in reducing employers’ propensity to engage (though this has not been the case with all projects);

¹²⁸ The SPFP unit took a view that it could not become too involved in SSC procurement as the process should be owned by the SSC.

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- the destabilising UK policy context for SSCs, with key staff understandably preoccupied with ensuring the future viability of their organisations, and with the new drive for competition arguably undermining efforts to promote collaborative approaches in Wales ('you have the context of SSCs fighting for their lives in some respects at the UK level and so inherently there is a sense of tension, a sense of competition');
 - what are perceived as tight restrictions on the work-based learning contracts issued as a result of the recent contracting round, due to budget restrictions; and
 - above all, the changing policy context in respect of mainstream funding, with the dilution and then disappearance of the original organic link between the SPFP as a pilot programme and a top-sliced, SPF where mainstream funding for training delivery could be routed via SSCs. While this has not been at the forefront of the thinking of those involved in implementing projects, the implications of this are now evident as projects struggle to identify ways in which the successful interventions have been developed can be sustained.

In the context of this final point, it is perhaps worth recalling a key point made in the Checkpoint Review¹²⁹:

'Particularly in the case of longer-established SSAs, it is possible to see problems emerging where activity has been funded as a "pilot project" but where there is no clear strategy or resources to maintain or mainstream the activity, even where it has proved valuable. In many cases, "pilot" seems more often to be a euphemism for relatively small-scale activity without any clear exit strategy'.

This in turn led to a recommendation¹³⁰:

'The current balance in SSC activity between developing small scale "pilot projects" and seeking to dovetail tailored support for the sector

¹²⁹ Checkpoint Review of the implementation of Sector Skills Agreements in Wales, Old Bell 3, March 2008, page 9.: formerly published on the Sector Skills Development Agency website but no longer available..

¹³⁰ Ibid., page 13

into mainstream programmes needs to be altered. Action Plans need to encourage SSCs wherever possible to identify ways of working with the grain of mainstream programmes...and the Welsh Assembly Government and other partners need to ensure that such Funds retain some flexibility to respond to specific needs identified by SSAs (the Skillset Training Framework may be a model here). DCELLS might consider developing a template or checklist to ensure that pilot project proposals genuinely cannot be accommodated within existing programmes and/or contain a real element of innovation or trialling new approaches to the sector. Where pilot projects are funded, greater attention needs to be given to how they can be sustained or mainstreamed – including providing longer term funding where initiatives are a proven success’.

To some extent, this evaluation suggests that these lessons have not yet been learnt.

9.0 Conclusions and Recommendations

9.1 Conclusions

The SPFP Programme has been a complex and difficult programme to deliver and to evaluate. It consists of 14 very diverse projects, with little in common apart from the fact that they each are intended to meet the specific LMI and skills needs of individual sectors, which could not readily be addressed through mainstream funding.

It has also been developed and implemented in a rapidly changing policy environment. It was originally intended to pilot approaches to skills development which could be mainstreamed through a new funding regime to operate alongside the FE and work-based learning elements of post-16 funding. But it was clear by the time the projects themselves commenced that this fund would not be coming on stream, at least not in time for successful projects to continue to be delivered seamlessly through it. At the same time, the importance of the sectoral dimension in Welsh Government thinking more generally has grown, with the explicit targeting of economic development policy on priority sectors, each with a sector panel. And, outside of Wales, the operating environment for SSCs, as UK-wide bodies, has changed fundamentally with the decision to replace most of their core funding with a new contestable regime.

The programme had a difficult start

- First, timescales for project implementation which were already short, given the original intention to move rapidly from the pilots to the implementation of the main Sector Priorities Fund, were squeezed further by the process of securing WEFO's agreement to the business plan. Further delays resulted from the requirement for SSCs to procure any training delivery through public procurement processes – processes which many SSCs proved to be unfamiliar with. Where projects have partly failed or struggled to deliver, this has generally been attributed both by interviewees for this evaluation and by project-level evaluations, in large part to problems over inadequate time for

implementation. In this context, however, it does seem that some of the original project proposals were over-ambitious, either in terms of timelines or volumes of activity, and that the appraisal panel which scrutinised applications might have been more challenging of their feasibility.

- Second, the fact that Welsh Government officials with knowledge of other ESF funded workforce development projects were not involved in the appraisal of individual projects, meant some potential overlaps with other projects - in some cases offering similar opportunities to employers free or at lower cost - only emerged once projects moved into the operational phase.
- Third, the advocates, intended to support SSCs to research and develop project ideas and to aid them in project implementation, only came into post in late 2010, once almost all projects were operational.

Despite these difficulties, which have left a legacy in terms of project performance, programme management has generally been effective, with progress in implementation closely monitored and appropriate decisions on re-profiling, extending and in some cases curtailing project activity taken. Project management of individual projects has been patchy, although SSCs with a strong culture of project management, which put in place a dedicated project manager have in some cases delivered very well in difficult circumstances. The experience of the collaborative projects has shown the importance both of tight project management and of building in additional time and resource to drive forward such projects.

Overall, however, the programme has delivered some worthwhile outcomes, which have met, at least in part, the objectives set for it. In particular the programme has:

- piloted new apprenticeship pathways in three sectors, demonstrating demand in each case, and made available a range of training opportunities (e.g. in low carbon skills, automotive servicing, waste

management and travel and tourism) which are new in a Welsh context;

- encouraged training providers – particularly some FE colleges – to enter new sectors and to develop greater experience of operating in a work-based environment, thus potentially at least creating new capacity;
- through the projects and through the work of the advocates, created new relationships between SSCs and training providers and, through CPD opportunities such as that offered by People 1st enhanced existing relationships;
- piloted, through SEMTA's Tailor Made Training project, a training 'offer' to manufacturing employers focused more closely on a diagnostic process (albeit that this has much in common with the approach of the Workforce Development Programme);
- particularly in the case of Food and Drink and low carbon skills, generated new LMI which potentially at least can be used to inform providers' curriculum 'offer' and individuals' career choices going forward;
- ensured through the advocates, greater dissemination and understanding of LMI by providers in a local context and in some cases facilitated the development of new work-based pathways as part of the 14-19 'offer';
- contributed to the creation and agenda of the Green Deal Skills Alliance at a UK level; and
- developed a new Level 3 qualification in play which was a priority for the childcare sector.

More generally, while the advocates have not been able to fulfil their original role, and while it might be argued that there has been a vacuum in terms of managing their performance, it seems clear that they have provided a resource for assisting sector-based initiatives more widely. In some instances, they have made a real contribution to increasing understanding of the pattern of current vocational provision and brokering new relationships between SSCs and other partners and indeed between providers.

At the same time, it is clear that in some ways the programme has delivered less than was hoped or intended:

- while overall targets have been fully or nearly met, training delivery has been quite limited, with the majority of employers assisted by the programme having benefited through dissemination activities. In many cases, training has been in the form of short courses, and evidence on the extent to which it has widened or raised skills levels is moot;
- little of the training provision has been wholly new (though it has been new to Wales) and in some cases it is likely that alternative provision would either have come on stream in Wales or would have been accessed by employers from elsewhere;
- projects have struggled to lever in financial contributions from employers, and the evidence suggests that employers participation in the pilots has often been because training was free or at very low cost. In practice, the programme has not really moved forward the understanding of how to encourage Welsh employers to contribute more to the costs of training delivery, originally a key objective of the programme. What has emerged clearly is the extent to which any attempt to persuade employers to make such a financial contribution is undermined by the continued availability of a wide range of work-related training at no cost through other ESF projects; and
- although individual projects have made a real contribution to the environmental sustainability agenda, attention to the cross-cutting themes has been limited across the programme.

9.2 Recommendations: individual pilot projects

In turning to our recommendations, we first consider issues relating to the individual pilot projects. While the business plan envisaged that the evaluation would help inform which projects should be mainstreamed, this is clearly no longer appropriate since there is no clear funding mechanism by which to do so. Our recommendations therefore are not comprehensive but only consider additional actions which we believe can facilitate making best use of the experience and 'products' of the pilot projects. In some cases (for example,

the EU Skills SHEA card, the People 1st Welcome Host project, the IMI training programmes, the SkillsActive Playwork qualification and Skillsmart Retail's Skills Shops) we believe that training provision developed or informed by the pilot projects should be left to be taken forward by the training 'market'.

Recommendation 1: The Welsh Government should ensure that work-based learning contracts contain sufficient flexibility to allow providers to mainstream apprenticeship frameworks successfully piloted by the SPFP Programme, where they wish to do so. In the longer term, the Welsh Government should also consider how to accommodate within work-based learning funding arrangements, apprenticeship pathways where there may be real demand but where volumes are too low to offer a viable return to providers.

Recommendation 2: The Welsh Government, the advocates and SSCs should continue to examine ways in which research and LMI generated by the pilot projects can be widely disseminated and used. It is important, for example, that the materials developed through the Food and Drink project are easily found from the Careers Wales website and that the Skillset research is finalised and published as soon as possible.

Recommendation 3: The Welsh Government should work with the Green Deal Skills Alliance to ensure that successful elements of the Low Carbon project are taken forward through Alliance's work programme, since this offers an opportunity to continue to make available training courses which have proved relatively popular with employers through the Low Carbon project but which otherwise are unlikely to be delivered in Wales at rates which employers will pay to access them.

Recommendation 4: The Welsh Government needs to work closely with SEMTA, the other partner SSCs, and the advanced manufacturing sector panel, to consider how the work of the Tailor Made Training project can be taken forward, either as a stand-alone initiative or by being mainstreamed as a part of other Welsh Government programmes such as the Workforce Development Programme or Skills Growth Wales. However, any further

development should be based on a continued requirement for employers' contributions toward the costs of bespoke provision.

9.3 Recommendations: the future of the SPFP Programme

We understand that a decision in principle has been made to extend the SPFP Programme, with a second round of pilot projects and with a newly procured 'advocate service' to provide support. The following recommendations are framed within that context.

Recommendation 5: There should be a stronger focus in any future SPFP funding round on piloting training *delivery* and targets for the programme could usefully distinguish between employers assisted through training provision and dissemination activities.

Recommendation 6: 'Portmanteau' projects (i.e. projects which contain a range of relatively disparate elements which are only connected by the fact that they are priorities of the lead SSC(s)) should be discouraged: each project should have a clear focus on meeting a defined need or testing a defined hypothesis.

Recommendation 7: Timescales for project implementation must be more realistic; in our view, it is essential that projects involving new training delivery have at least a two year time-frame from the point of approval of the individual project to completion.

Recommendation 8: The Welsh Government needs to screen all new project applications for potential overlap or duplication with existing ESF projects.

Recommendation 9: The Welsh Government needs to ensure closer scrutiny of project management arrangements within project proposals, while not rejecting valid project ideas from SSCs who have a poor track record of project delivery. Except for the smallest projects, dedicated project management arrangements should be put in place, and the Welsh Government should offer support and capacity building (e.g. through the

advocate service) to ensure that these are robust and are delivering.

Recommendation 10: It is essential that there is a seamless transition between the current and the future advocate service and that advocates can offer a meaningful service, particularly to less well-resourced projects to develop project proposals and in the set-up phase.

Recommendation 11: The Welsh Government should formulate clear Terms of Reference for the advocate service which reflect that it should have both a direct role in respect of the pilot projects and a broader role in terms of disseminating and tailoring sector-specific LMI and brokering new relationships between SSCs and providers.

Recommendation 12: In order to ensure projects, once approved, can start promptly, the SPFP Unit should circulate a draft contract for comment to all SSCs and also, working with WEFO, prepare and circulate updated guidance on procurement requirements, including signposting to sources of advice, such as Value Wales.

Recommendation 13: Greater efforts need to be made to address the cross-cutting themes: while programme-level targets should be reviewed to ensure they are realistic in terms of the eligible workforce, the Welsh Government needs to work with **all** projects to ensure they understand the importance of addressing the themes. Advice should be sought from WEFO's cross-cutting theme advisers where needed.

Recommendation 14: The Welsh Government should ensure greater coherence in terms of evaluation for the 'new' SPFP Programme. Either one evaluation should be commissioned covering all the pilot projects which are funded; or programme-level evaluators for the 'new' programme should be appointed at the start of the programme, and contracts with SSCs should require their project evaluators to work closely with the programme evaluators to ensure greater consistency and to enable a more coherent evaluation of the programme.

9.4 Recommendations: Broader policy

In reality the real success or otherwise of both the pilot projects which are the subject of this evaluation and any future pilot projects will be determined by the broader policy environment with regard to the skills agenda. Recognising this we make the following recommendations:

Recommendation 15: In taking forward the work on the future funding of post-16 learning, the Welsh Government should seek to put in place a mechanism for mainstreaming sector initiatives which have clearly demonstrated their value but which require public intervention to work. It is unsustainable to continue to fund piecemeal ‘pilot’ projects which have no clear mainstreaming mechanism in the longer term, merely as a way of demonstrating responsiveness to the sector skills agenda. If such a mechanism is not included in the future funding system, we do not believe the Welsh Government should continue to fund pilot projects.

Recommendation 16: In preparing for a future ESF Programme for West Wales and the Valleys, it is essential that the Welsh Government seek to put in place a clear set of ground rules on employer contributions for any workforce development provision funded by ESF. Without a level playing field, projects which offer free or heavily subsidised provision will continue to crowd out efforts to test and ultimately mainstream the requirement for employers to make a financial contribution to sector based projects.