

West Wales and the Valleys ESF: 2016 Annual Implementation Report

Annex 1: Citizen's Summary

Overview

Wales benefits from around €2.4bn of EU Funds through the four Structural Funds programmes 2014-2020. This includes around €800m under the West Wales and the Valleys European Social Fund (ESF) Programme to help deliver economic growth by promoting high levels of sustainable employment, developing a skilled and responsive Welsh workforce now and for the future.

This Programme is split into four priority areas:

Priority 1: Tackling Poverty through Sustainable Employment

Priority 2: Skills for Growth

Priority 3: Youth Employment and Attainment

Priority 4: Technical Assistance

This is the second Annual Implementation Report for the West Wales and the Valleys ESF Programme, covering the reporting year of 2016.

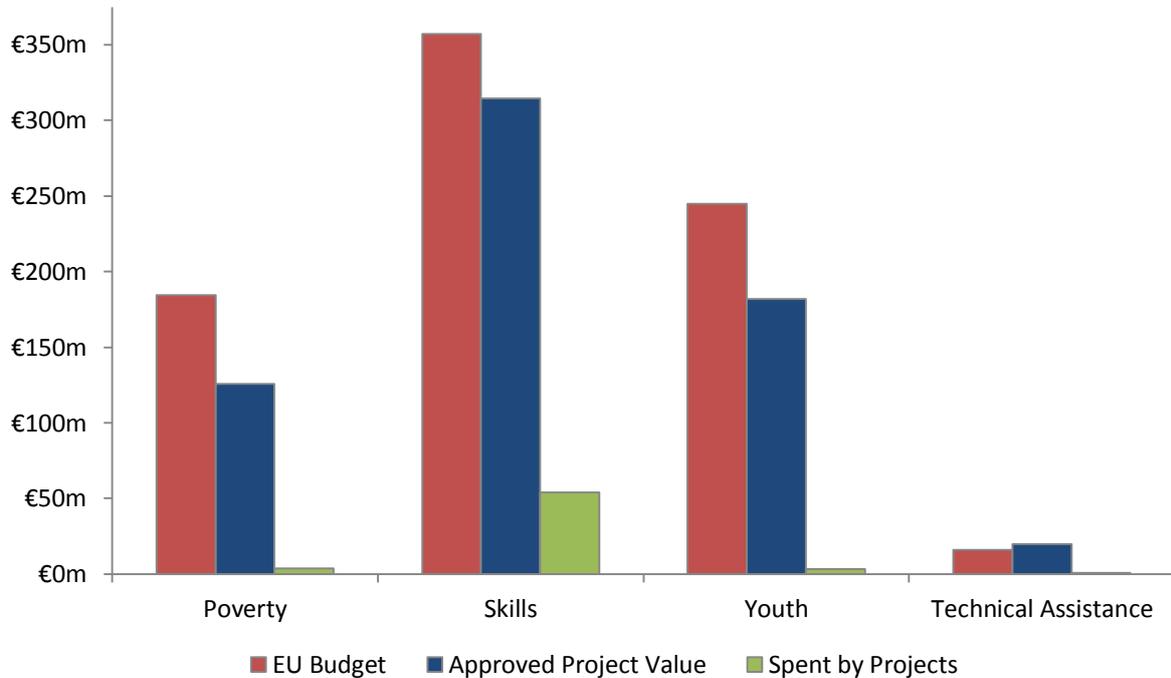
Key achievements in 2016

- By the end of 2016, €624m of EU funds invested in 45 projects to support employment and raise skills, driving a total investment of just over €1bn in West Wales and the Valleys.
- WEFO achieved its 60% commitment target across all programmes to help ensure all EU funds are maximised before the UK leaves the EU.
- Over 35,000 people have been supported, of which 1,600 gained qualifications.
- In October, four female STEM Cymru participants from Denbigh High School won three awards in the Formula 1 in Schools world finals in Texas
- WEFO designated as the Managing and Certifying Authority for the 2014-2020 Structural Funds.

Financial progress

The following chart shows, at Priority level, the total allocation of EU funds, how much has been invested in projects, and how much has been spent by projects.

Chart 1: EU Funds: Budget, Approved and Spent



Projects approved up to the end of 2016

Descriptions of projects approved within each Programme Priority and case studies are available on the Welsh Government website at www.gov.wales/eu-funding

Priority 1: Tackling Poverty through Sustainable Employment

By the end of 2016, 64% of the Priority's allocation had been committed to 10 projects. During 2016 three new projects were approved and additional funds were confirmed for several existing projects. For example, the Welsh Government's ReACT scheme that was approved in 2015 to support people impacted by redundancy was extended to include, from 2018, support for short term unemployed people with no or low skills or a work-limiting health condition or disability. Further support for long term unemployed and economically inactive individuals was also put in place during this period. The regional Local Authority led projects, Bridges2Work, Workways Plus and OPUS will complement the wider Pan Wales projects to deliver to those furthest from the labour market.

Over 4,000 participants had been supported across the priority by the end of 2016. While this is slightly lower than expected, this performance not only reflects the challenge of engaging with harder to reach target groups which underpin this priority's objective, but also a rapidly improving labour market. It also reflects the more intensive and longer term interventions needed for harder to reach groups.

WEFO is continuing to engage with interested parties to help ensure the targets for underemployed participants are achieved and will be undertaking a call for more proposals in this area in 2017.

Priority 2: Skills for Growth

By the end of 2016, over 91% of the Priority's allocation had been committed to 16 projects. Ten projects were approved during the year, including several regional projects led by the Higher Education and Further Education sectors. Additional EU funds were awarded to the Welsh Government's Apprenticeships scheme to support an additional 58,300 participants. Skills support for employed people from the Further Education sector across the Programme area was put in place through the project approvals for Skills for Industry 2 (South West Wales), Upskilling@Work (South East Wales) and SEE (North Wales).

Over 22,700 participants had been assisted by projects within this Priority showing good progress during the year. The shortfall in the number of participants gaining qualifications reflects the time cycles of assessment and certification, and the academic year; further outcomes are therefore expected to be reported in 2017.

The number of participants with graduate degrees enrolling on post-graduate research is lower than expected. This may reflect the more novel nature of this type of investment in that activity is limited to the 'grand challenge' areas of 'Science for Wales', outcomes (for example, doctorates) take a number of years to achieve. Given these factors, the target therefore appears to be too high and will be reviewed.

Priority 3: Youth Employment and Attainment

By the end of 2016, over 74% of the Priority's allocation had been committed to 13 projects. Building on the backbone projects approved in 2015, eight projects were approved during 2016, including Local Government-led projects, such as Inspire 2 Work, Inspire 2 Achieve and TRAC 11-24. During the latter part of 2016 several backbone projects were extended, including the Welsh Government-led Traineeships and Communities for Work projects, to provide support beyond 2018.

Significant progress has been made in the area of reducing the number of people who are NEET, with over 10,000 young people supported by the end of 2016. Forecast data of approved projects remains high and this should enable new projects to target niche areas and specific issues. Targeting people who are at risk of being NEET is a new and innovative area of intervention. These early intervention projects led by Local Authorities will support some of the most disadvantaged young people in education and early indications show good progress in addressing the complex needs of these young people.

Take-up of STEM subjects shows engagement of participants is progressing well with outcomes expected as the young people progress through education and the interventions. Delivery in the early-years childcare workforce area has been slower than anticipated with significant challenges for individuals in finding time to access the training, particularly with single operator providers.

Priority 4: Technical Assistance

By the end of 2016, this Priority achieved full EU funds commitment. This included approval of the four 'Regional Engagement Teams' (North Wales, Mid Wales, Swansea Bay and South East Wales) to help support the management and delivery of the Programme by ensuring integrated regional delivery and greater economic prioritisation of projects. The RETs also work with the Regional Skills Partnerships on regional proofing and engagement of ESF projects. Towards the end of 2016, WEFO's Technical Assistance project was also approved to help successfully manage programme implementation.