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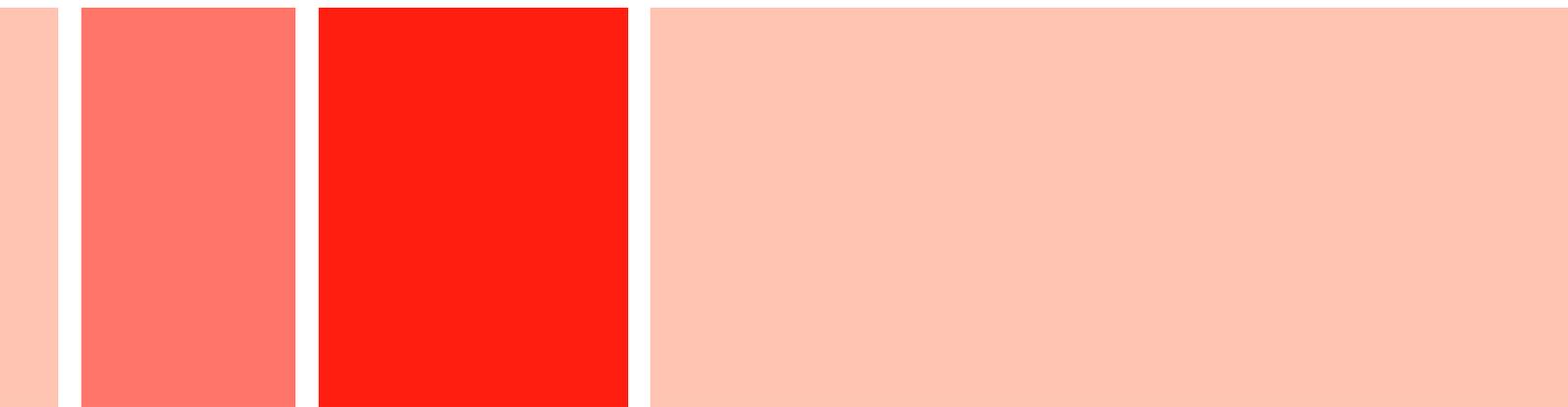
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Evaluation of the Young Recruits Programme



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BMG Research

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

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Table of contents

Summary	1
1 Introduction.....	8
2 Findings.....	16
3 Conclusions and Recommendations.....	50

Summary

Introduction

The Young Recruits Programme (YRP) was introduced in August 2009 as part of a Welsh Government set of measures to respond to recession.

The programme was specifically aimed at helping young people aged 16 to 24 into Apprenticeships. It did so by offering employers a maximum subsidy of £2,600 over a year, or of £50 per week. The subsidy, paid quarterly in arrears, was available to employers who offered an Apprenticeship opportunity when they would not have done so without the subsidy. Initially, the programme had a target of 1,000 Young Recruits opportunities but a second wave of the programme followed in February 2011 which added a further 1,000 opportunities.

The programme was driven by concern about youth unemployment which rose markedly from 2008 and by recognition of the social and financial costs of young people becoming 'NEET' (Not in Education, Employment, or Training) and that status then becoming entrenched. The basic approach of the programme – a government subsidy to employers to stimulate socially-beneficial labour market effects – is consistent with a substantial history of public subsidy to job creation or protection and to training, a history which is briefly exemplified in the report.

Evaluation method

The evaluation of Young Recruits was required to answer a number of key questions concerning:

- The effectiveness of the grant in attracting employers without deadweight.
- The wider motivations for employer engagement.
- The effectiveness of the processes by which its participants (employers, Apprentices, and providers) became engaged in the programme.
- The effectiveness of the Apprenticeships themselves in generating employer satisfaction and in delivering positive outcomes.

To generate intelligence on these matters, a number of research elements were undertaken:

- 101 grant-assisted employers were interviewed by telephone in structured survey interviews. These employers were drawn randomly from a list of all Young Recruits employers. They were spread across Wales (27 in North Wales, 6 in Mid Wales, 30 in South West Wales, and 38 in South East Wales).
- A further, small sample of employers was engaged in more in-depth discussions.
- A small sample of Apprentices supported by the YRP was interviewed on the telephone (this sample was identified by employers who, in the survey above, agreed to provide access to their Apprentices).
- Stakeholders (including programme managers and providers) were interviewed, either face-to-face or on the telephone, in order to generate insights into the Young Recruits programme from those engaged in its delivery.

Key findings deriving from these research elements are set out below.

Programme design and establishment

Young Recruits Programme managers report that the design and scale of the first period of the YRP was a product of four factors: concern about youth unemployment; advice from Sector Skills Councils in Wales as to likely demand; available government budget; and a decision to set the YRP subsidy at £2,600 per employer.

Providers confirm that, prior to YRP, it was becoming more difficult to find employer placements for young Apprentices – a finding which reinforces the rationale for the programme's establishment.

Evaluation evidence suggests that the subsidy of £2,600 per Young Recruit is about right – sufficient to incentivise employers, but not so generous as to encourage them to take on young people without due consideration solely because of the subsidy.

Marketing the Young Recruits Programme

Initial marketing of the programme following its inception in August 2009 was low key. Sector Skills Councils had indicated that demand would be strong. Programme managers were, therefore, concerned not to raise expectations which could not be met. Slow take-up resulted, however, and marketing effort was significantly increased.

The initial target of 1,000 places was met by December 2010.

Marketing involved a mix of direct methods (events, radio advertisements, leaflets, posters) and indirect methods (via providers). The evaluation suggests that the latter method – providers using the subsidy to encourage employers to find new placements – was responsible for the greater part of YRP Apprenticeships.

The characteristics of Apprentices and Apprenticeships

Young Recruits Apprentices are, on average, younger than standard Apprentices even when the comparison is only with standard Apprentices aged 16 to 24.

They are more likely to be male than standard Apprentices and to be located in construction, motor vehicle repair, and the 'other services' sector (a sector which includes hairdressing).

Most employers of Young Recruits are small.

The qualifications of Young Recruits prior to their Apprenticeships are modest, with around 7 out of 10 not having obtained 5 GCSE passes.

Administration

A majority of employers is satisfied with the administration of Young Recruits, but a significant minority is dissatisfied. Concerns are with the requirement to produce all weekly wage slips to justify subsidy payments and with slow payment.

Programme managers report that the central administration team has been under-resourced at times of peak demand and backlogs in processing employer applications and payment claims have resulted.

Young Recruits Apprenticeships have not been recorded effectively on LLWR.

Effectiveness of the programme

Recruitment of Young Recruits was by the same methods as used to recruit standard Apprentices – a largely informal mix of processes in which providers put forward likely candidates or employers identify a young person, either someone they know and want to take on or someone already in a job with them (within the 20 week limit in the Young Recruits case). In consequence, around 4 in 10 employers do not interview or interview only one candidate.

Where more than one candidate is interviewed, the average number of interviewees is around three per vacancy. Around two-thirds of employers find it easy to find a suitable Young Recruit.

Employers are broadly satisfied with their Young Recruits. Only 6% are dissatisfied. Young Recruits Apprentices are mainly not seen as different in quality from standard Apprentices (and if they are seen as different it is more often to the Young Recruits' advantage).

9 out of 10 employers said that the programme had encouraged them to take on other young people in future.

The great majority of employers saw the off-site training element of the Apprenticeship and the programme as a whole as satisfactory.

Apprentice's views of programme effectiveness

Apprentices are very positive about their Apprenticeships. They report positive on-site and off-site experiences and high valuations of the qualifications they are developing and of their work experience. They report development of their social and communication skills in parallel with the development of technical skills.

The only downside they report concerns pay, which, in some cases, is felt to be low.

Outcomes

Indicative employer survey evidence (indicative since most Young Recruits were still on the programme at the time of survey) suggests that completion rates will be at least comparable with those of standard Apprentices.

86% of surveyed employers expected to employ their Young Recruit beyond their Apprenticeship and 14% said they would do so if their level of business permitted.

Additionality

84% of employers acknowledged the importance of the Young Recruits subsidy to their decision to take on an Apprentice. Providers confirmed the value of the subsidy in helping them to persuade employers to provide a placement for a young person.

6 out of 10 employers (58%) had never had an Apprentice before and a further 14% had not had an Apprentice in the last 18 months. These figures reinforce the view that the programme's impact in generating Apprentice places which otherwise wouldn't have been available was substantial.

Strengths of the programme

The evaluation concludes that the Young Recruits programme has many strengths, including:

- It is straightforward and easy to present to employers.
- It has value in avoiding some young people becoming NEET. Although this cannot be quantified, given the high potential long-term cost to society of persistent disengagement, the possible benefit is large in relation to the cost of the subsidy.
- The programme has substantial additionality.
- The level of subsidy was about right – high enough to incentivise employers but not so high as to encourage employers to take on young people purely for financial reasons.
- It seems likely that rates of completion and of continuing employment after Young Recruits Apprenticeships will be comparable with those of standard Apprentices – suggesting that the availability of subsidy has not lowered standards of delivery.
- This is confirmed by employer satisfaction with the quality of their Young Recruits (which employers believe is comparable with that of standard Apprentices) and with the quality of the off-site training element of the programme; and by Apprentice satisfaction with their experiences on the programme and its actual and prospective benefits.
- Although not a primary objective, the programme engaged a significant proportion of employers new to the programme. The base of employers with Apprenticeship experience, with the potential for future placements, has been expanded.
- A substantial majority of employers reported that they had become generally more favourable to the recruitment of young people.

Weaknesses of the programme

The programme's weaknesses were few, and mostly concerned with administration:

- There was an initial misjudgement as to the level of marketing which would be needed to recruit employers.
- There were one or two initial errors in presentation of the programme – a faulty letter giving employers inaccurate information on the number of pay slips they needed to present to trigger payments of subsidy; and, possibly, insufficient clarity in warning employers early in the programme that 'cash in hand' payments could not trigger payments.
- Under-resourcing of programme administration at points where there were relatively high in-flows of employer applications and claims for payment was reflected in the employer survey particularly in relation to some dissatisfaction with the timeliness of payments.
- The requirement for providers to flag Young Recruits Apprenticeships in the LLWR database was not widely adhered to, with the result that description of the programme's structure and monitoring of its outcomes using LLWR, has been inhibited.

Overview and recommendations

Basically, thus, the Young Recruits programme, with a few minor administrative blemishes, has broadly achieved what it set out to do; that is, to provide (in two phases) 2,000 Apprenticeship places of good quality for young people who were not in, or not firmly established in, the workforce, which would not otherwise have been available.

On that basis, therefore, there is a case for the continuation of Young Recruits in present conditions of low economic growth and relatively high levels of unemployment amongst young people.

If Young Recruits should continue, then there are some obvious operational recommendations:

1. The burden of paperwork associated with the programme needs to be made as light as possible, consistent with ensuring that the subsidy is not dishonestly or erroneously paid. Micro-businesses,

particularly, should not have bureaucratic costs which are out of proportion with programme benefits.

2. Accurate identification of Young Recruits Apprenticeships on LLWR should be enforced on providers to allow more effective programme monitoring.
3. Administration of the programme should be resourced adequately to allow employer applications and claims for payment to be processed quickly.

Finally, the report makes observations on the role of the Young Recruits Programme as part of a wider range of skills development programmes. These concern:

- The need for greater coherence and clarity in how the various strands inter-relate and connect.
- The need to create as much stability as possible in the programme 'landscape' .
- The opportunity for a more strategic approach to marketing of skills programmes which greater coherence and stability would bring.
- The requirement to identify more explicitly the intended focus of skills support in terms of the age groups of participants and of the industrial and commercial sectors which are prioritised.

1 Introduction

- 1.1 This section of the report describes the Young Recruits programme. It sets the programme in context by noting the problem of high and rising youth unemployment and by observing that there is a substantial history of government programmes, in and beyond Wales, to achieve labour market effects of social value. It describes the method of evaluation used to assess the programme.

Description of the Young Recruits programme

- 1.2 The Young Recruits programme was inaugurated in August 2009. The key features of the programme are:
- In response to recession, the programme is designed to stimulate the formation of new Apprenticeships for young people aged 16 to 24 who are either not in the workforce or have been with an employer for not more than 20 weeks. The programme is part of a series of measures which emerged or were developed during the series of economic summits held between October 2008 and July 2009 to help formulate the Welsh Government's response to the recession.
 - The programme offers a maximum grant to employers who established such Apprenticeships of £2,600 (£50 per week for 52 weeks). This grant is payable in four quarterly instalments of £650. The payments are made only after receipt of evidence that the Young Recruit has been paid regularly in the quarter, at the National Minimum Wage for Apprentices (of £2.50 per hour or above), for at least 30 hours per week. The subsidy represents around half of the National Minimum Wage for Apprentices (£100 per week if 40 hours are paid at £2.50 per hour) for one year.
 - The programme is focussed on small and medium sized employers who are interested in employing an Apprentice but would not or could not do so without subsidy; and on large employers who are taking on additional Apprentices over and above their normal intake. Employers are asked to sign an agreement confirming that one or other of these conditions applied to them.
 - The programme was initially intended as a one-off opportunity. It had a target of 1,000 Apprenticeship places and a cut-off date of December 11th 2009 for applications. There was no expectation that

the programme would become a fixed or permanent feature of government stimulus to post-16 vocational skills development.

- Recruitment of the initial 1,000 Young Recruits was completed in December 2010. However, with continuing concern as to the employment prospects of young people, it was announced¹ in February 2011 that the programme would be extended by an additional 1,000 Young Recruits Apprenticeship places. By June 2011, the number of Young Recruits (in the two phases combined) had risen to c.1,900.
- Overall, the Young Recruits programme has required Welsh Government funding of c. £5.2 million in subsidy to employers (2,000 Young Recruits x £2,600 grant) in addition to the subsidy of off-site training costs which is part of standard Apprenticeships. Other costs, primarily those of administration and marketing, are contained within general budgets for the delivery of the much larger 'general' Apprenticeship programme and cannot be directly allocated to the Young Recruits programme.

Context for the programme

1.3 At the point at which the Young Recruits programme was conceived, youth unemployment was rising. On the 'ILO measure', unemployment rates for young people in Wales which had edged upwards from 2004 onwards increased more sharply in 2008 and 2009 and were much higher than for the working-age population:

Table 1: Unemployment rates in Wales 2004-2009 (percentages of age group)

	2004	2005	2006	2007	2008	2009
Age 16-19	18.0	19.6	18.6	20.0	26.4	27.1
Age 20-24	10.1	11.0	11.3	10.9	12.5	15.4
All of working age	4.8	5.2	5.2	5.6	6.3	8.1

Source: Annual Population Survey, Office for National Statistics; 'ILO measure' of unemployment

¹Statement by the Deputy Minister for Science, Innovation and Skills, during Apprenticeship Week, February 7th-11th, 2011

- 1.4 For those of an age to claim Jobseekers Allowance (that is, 18 years or older), a similar pattern was evident, although the main increases in this case were 'lagged' into March 2009 statistics:

Table 2: Unemployed JSA claimants age 18-24 in Wales 2004-2010 (March of each year); numbers

	2004	2005	2006	2007	2008	2009	2010
All claimants age 18-24	14,300	14,500	16,900	15,600	15,600	27,600	27,600
All claimants aged 18-24 claiming for over 12 months	180	270	500	510	410	520	2,100

Source: Claimant count statistics, Office for National Statistics

- 1.5 Underpinning the YRP is a strong argument that the cost of allowing young people to become entrenched in NEET status², in both unrewarding lives and in costs to society, are high in comparison to the very modest subsidy offered by the YRP. Various estimates have been made of the costs of NEET status, for example: 'the average life-time public finance cost of NEET we estimate as £56,300 per individual'³, and research carried out by the Centre of Economic Performance at the London School of Economics calculates that 'this 'lost generation' is costing this country £3.65 billion' and reports that 'the UK Government's own figures estimate that each new NEET dropping out of education at 16 will cost the taxpayer an average of £97,000 during their lifetime'⁴.
- 1.6 In the face of this difficult and costly problem, Apprenticeship, as a major and well-developed instrument of skills policy, clearly suggested itself as a response. Not only might it fulfil its traditional functions in equipping individuals with the skills and work experience necessary for a stable career and in encouraging businesses to upskill, but, in this case, it would plausibly make a significant contribution to a pressing social need.
- 1.7 The principle of subsidising employers to deliver socio-economic objectives is not an unusual one. There is a wide-ranging international literature which examines the impact of financial

²Not in Education, Employment or Training

³*Estimating the lifetime cost of NEET; 16-18 year olds not in Education, Employment or Training*, Department of Social Policy and Social Work and Department of Health Sciences, University of York, on behalf of the Audit Commission, July 2010

⁴www.idea.gov.uk/idk/core/page/do?pagelId=13919780

subsidy on employers' decisions to hire staff⁵. In Wales, particularly, two other programmes designed as a response to recession used financial subsidies. The ReAct programme provided wage subsidy to employers who recruited recently redundant individuals, whilst the ProAct programme expended £27 million in supporting the retention and up-skilling of around 10,000 recession-threatened employees. In general, such subsidy programmes are found to have mixed effects, with evaluations of different programmes finding impacts ranging from modest and short-lived to strongly positive. In the two Welsh examples, however, both ProAct and ReAct received positive endorsement, with ProAct being observed to have safeguarded and created jobs⁶ and React being observed to have positive impacts on employment and business performance⁷ – endorsements which encourage a subsidy-based intervention approach as with the Young Recruits Programme.

- 1.8 More specifically, there is a long history of subsidy programmes in the UK and elsewhere designed to encourage employers to train staff and/or to recruit them into jobs involving training. In the UK, the various youth training schemes of the 1980s, various New Deal options and Train to Gain more recently, and, of course, standard Apprenticeships, are obvious examples. Such programmes have mostly survived only for a period, sometimes being discredited in the eyes of potential participants as 'cheap labour', being evaluated as afflicted by significant deadweight, and/or falling victim to changes in government. Only Apprenticeship – the basis of Young Recruits – has survived for a prolonged period.
- 1.9 Some programmes have involved two specific features of Young Recruits – that it is aimed at generating Apprenticeships (rather than other training formats) and that it involves a direct cash subsidy to employers (rather than simply paying for off-site training components).

⁵See, for example (these studies are just a small sample of the total literature on this theme) : *Employer search and employment subsidies*, R. Walters and J. Muysken, Applied Economics, 2006; *Employer-based subsidies to Low-Wage Workers: A public finance perspective*, S. Dickert-Conlin and D. Holtz-Eakin, Columbia University, 2008; *The effects of an employer subsidy on employment outcomes*, S. Hamersma, University of Florida, 2005; *Getting the Unemployed Back to Work: the Role of Targeted Wage Subsidies*, B. Bell and others, Institute of Fiscal Studies, 1999; *The effect of payroll tax subsidies for low wage workers on firm-level decisions*, B. Crepon and R. Desplatz (CREST, France), 2002; *Estimating the effects of a Time-Limited Earnings Subsidy for Welfare Leavers*, Econometrica, 2005

⁶ Written statement by Deputy Minister for Science, Innovation and Skills, 31st March 2011

⁷ *Evaluation of ReAct, Final Report*, CRG for Welsh Assembly Government, October 2008

- 1.10 Within the UK, for example, the Scottish Government⁸ offered two support programmes from June and November 2009 respectively. ‘Adopt an Apprentice’ offered £2,000 to Scottish businesses which took on a redundant Apprentice whilst ‘Safeguard an Apprentice’ offered SMEs in construction, manufacturing, and engineering a £75 per week subsidy to retain Apprentices on short-time working or at risk of redundancy. In England, the one-off Apprenticeship Grant for Employers (AGE) programme⁹, a direct parallel of Young Recruits, offered 5,000 employers (between January and March 2010) a subsidy of £2,500 to take on Apprentices aged 16 or 17. In Northern Ireland¹⁰, subsidy of between £500 and £2,500 (dependent on sector and specialist needs) is available from ApprenticeshipsNI with part-funding from the European Social Fund to encourage Apprentice recruitment.
- 1.11 Other Apprenticeship subsidy programmes have operated in particular sectors. For example, ConstructionSkills and the Homes and Communities Agency¹¹ announced a £1,000 grant in September 2009 to encourage construction businesses to recruit redundant Apprentices; in June 2010, the Skills for Logistics SSC¹² offered employers a 50% subsidy for 19-24 year olds to move from warehousing work into driving goods vehicle Apprenticeships; and ‘Carefirst’, a DWP programme¹³ launched in April 2009, offered social care employers a £1,500 subsidy to take 18-24 year olds into Apprenticeship.
- 1.12 Still other Apprenticeship subsidy programmes have operated locally in England. In Essex, for example, in May 2010, the County Council¹⁴ offered employers in specified sectors a wage subsidy of 70% of the £95 Apprentice Minimum Wage in an effort to create 1,750 additional Apprenticeships by 2012; in 2010, too, Somerset Skills and Learning (a local partnership) offered to support a small number of Apprenticeships¹⁵ in a range of key local sectors with a subsidy of £1,500 per placement; and in Cornwall, ‘Objective 1’

⁸ www.scotland.gov.uk/skillsforscotland/youngrecruits

⁹ www.apprenticeships.org.uk/About-Us/Publications.aspx

¹⁰ www.deini.gov.uk/apprenticeshipsni

¹¹ www.cskills.org/aboutus/newsandevents/news/apprenticeship-boost.aspx

¹² www.roadtransport.com/SFL-urges-firms-to-consider-apprentices.htm

¹³ www.nursingtimes.net/apprenticeship/5000787.article

¹⁴ www.tes.co.uk/article.aspx?storycode=6043056

¹⁵ www.westsomersetonline.gov.uk/.../GetNewsLetter.aspx?Issueld

funding has been used from 2007 to encourage employers in any industry to take on Apprentices¹⁶.

- 1.13 Similar approaches have been applied elsewhere in the world. For example, as early as 1978, Luxembourg¹⁷ offered a subsidy to employers to any employer training an Apprentice under an apprenticeship contract; from 2007, the Cyprus government¹⁸ offered wage subsidies as part of its New Modern Apprenticeship programme, an offer which, with partial ESF support, was up-dated in July 2010; in Australia¹⁹, an existing incentive scheme was tripled in October 2009 such that \$5,000 (roughly £2,500) was to be available for employers taking on traditional trade apprentices; a French action plan for youth unemployment²⁰, announced in April 2009, established exemption from employer social security contributions for one year and, for SMEs with fewer than 50 employees, an employer subsidy of €1,800 for newly recruited Apprentices.
- 1.14 Most of these Apprenticeship subsidy programmes have not been evaluated. However, the AGE programme in England, a very similar programme to Young Recruits, was evaluated in 2011²¹. The evaluation concluded that the programme had generated Apprenticeships of good quality with very little deadweight in the programme – conclusions which broadly encourage the expectation of similar positive outcomes from the Young Recruits Programme.
- 1.15 In summary, the continuing threat of rising youth unemployment in recessionary and post-recessionary conditions and the perception of the high long-term cost of young people becoming NEET led to the establishment of the YRP. As noted above, the adoption or extension of training subsidies of various kinds, particularly in difficult times, is a well-recognised policy option which has been widely adopted within and outside the UK, both recently and in previous decades. Given that the subsidy in this case, of Young Recruits, was concerned with a programme (Apprenticeship) which has in general been oversubscribed by applications from young people and which has provided high quality provision in many

¹⁶ www.objective.com/client/reviews/Q%20Review3.02.pdf

¹⁷ www.eurofound.europa.eu/>...>EMIRE>Luxembourg>LetterA

¹⁸ www.personalbusinessstaxguide.com/.../cyprusapprenticeshipandwork

¹⁹ www.abc.net.au/news/stories/2009-10-16...apprentice-subsidy/1106720

²⁰ www.issa.int/.../the-impact-of-the-crisis-on-young-people-socialpolicies-and-employment-solutions

²¹ www.apprenticeships.org.uk/.../NAS-AGEEvaluationFinal-May2011

cases²², there was a strong prima facie case for optimism that the Young Recruits programme would generate benefits well in excess of its costs.

- 1.16 There were, however, as with any subsidy, two potential hazards. The first is that of deadweight – that employers receiving subsidy would use it for training activity which they would undertake anyway. For example, an evaluation by the Institute for Fiscal Studies (Abramovsky et al, 2005), carried out for, and published by, the DFES, estimated that at least 90% of the training funded was deadweight, that is, would have taken place anyway, in the absence of any government subsidy²³. Though deadweight in Train to Gain was shown in subsequent evaluations to reduce over the programme's lifetime, it is evident that public training subsidy cannot always be counted on to 'lever' new behaviour or activity.
- 1.17 The second main hazard is that funded modes of delivery operating alongside unfunded ones may cause confusion and uncertainty. There was a possibility that in offering a subsidy for some Apprenticeships through the Young Recruits programme, employers hosting other Apprenticeships which were not grant-assisted might look askance at the disparity. If the subsidy were to persist for some Apprenticeships but not others, it is conceivable that willingness to participate in the standard model might weaken.
- 1.18 Essentially, Young Recruits sought to avoid these difficulties by requiring employers to confirm in writing that they would not have offered the Apprenticeship without the subsidy; and by making clear that the programme was a particular response to particular difficult economic circumstances – it was not intended as a pilot for a format of Apprenticeship funding which would potentially become the standard model for funding.

Method of evaluation

- 1.19 The evaluation of Young Recruits was required to answer a number of key questions concerning:
- The effectiveness of the grant in attracting employers without deadweight.

²² www.wales.gov.uk/apprenticeships

²³ *The impact of the Employer Training Pilots on the Take-up of Training among Employers and Employees*, Abramovsky et al, Instituted for Fiscal Studies, DfES, 2005

- The wider motivations for employer engagement.
- The effectiveness of the processes by which its participants (employers, Apprentices, and providers) became engaged in the programme.
- The effectiveness of the Apprenticeships themselves in generating employer satisfaction and in delivering positive outcomes.

1.20 To generate intelligence on these matters, a number of research elements were undertaken:

- 101 grant-assisted employers were interviewed by telephone in structured survey interviews. These employers were drawn randomly from a list of all Young Recruits employers. They were spread across Wales (27 in North Wales, 6 in Mid Wales, 30 in South West Wales, and 38 in South East Wales).
- A further, small sample of 9 randomly-selected employers was engaged in more in-depth discussions.
- A small sample of 8 Apprentices supported by the YRP was interviewed on the telephone (this sample was identified by employers, who in the survey above, agreed to provide access to their Apprentices. Since these respondents were not selected randomly their representativeness cannot be assured.)
- Six stakeholders (including programme managers and providers) were interviewed, either face-to-face or on the telephone, in order to generate insights into the Young Recruits programme from those engaged in its delivery.

1.21 Findings based on these interviews are set out in the following chapter. A final chapter of the report reflects on those findings and makes recommendations which would apply in circumstances in which renewal of the Young Recruits programme was contemplated.

2 Findings

2.1 This section reports findings from the study in respect of:

- How and why the programme's structure and mechanisms were defined as they were.
- How the programme was marketed.
- The characteristics of Young Recruits Apprentices and Apprenticeships.
- The effectiveness of its administrative processes.
- The programme's effectiveness from various other perspectives.
- The outcomes for Apprentice participants.
- The programme's additionality.

Programme design and establishment

Programme design and establishment: key findings

- Young Recruits Programme managers report that the design and scale of the first period of the YRP was a product of four factors: concern about youth unemployment; advice from Sector Skills Councils in Wales as to likely demand; available government budget; and a decision to set the YRP subsidy at £2,600 per employer.
- Providers confirm that, prior to YRP, it was becoming more difficult to find employer placements for young Apprentices – a finding which reinforces the rationale for the programme's establishment.
- Evaluation evidence suggests that the subsidy of £2,600 per Young Recruit is about right – sufficient to incentivise employers but not so generous as to encourage them to take on young people without due consideration solely because of the subsidy.

2.2 Young Recruits programme managers report that the original target of 1,000 Young Recruits was a product of four factors:

- The requirement, as noted above, to respond to rising youth unemployment with policies which included the stimulation of

Apprenticeship opportunities for young people not yet established in the workforce in circumstances where these opportunities were believed to be tightening.

- Advice from Sector Skills Councils in Wales as to likely demand for Young Recruits in their sectors.
- Available budget.
- A decision to set the subsidy element at £2,600 per employer.

2.3 Some observations on these factors deriving from the research are set out below.

2.4 Firstly, providers interviewed for the research confirmed the view that it was becoming increasingly difficult to find placements for young Apprentices. One reported that ‘the pressure of recession, particularly in construction and engineering, our main sectors, was driving numbers down. Young Recruits helped to counteract that’. Another reported that ‘although employers need to manage for the future, they are struggling. Due to the economic situation they have been unable to recruit Apprentices:

‘Young Recruits has enabled us to market subsidised training to employers more effectively.’

2.5 It can be noted that this difficulty in recruiting young Apprentices, particularly those aged 16 to 17, is one which extends beyond Wales. In England, a recent report²⁴, which was warmly received by the UK government, reflected on this difficulty. Professor Wolf concluded, on the basis of discussions with providers and from numerical trends, that ‘without drastic reform of the funding mechanism, there is no chance of large scale growth in Apprenticeships for 16 and 17 year olds. If we want to increase Apprenticeship openings for young people, we will have to pay for them’.

2.6 Secondly, advice from Sector Skills Councils (SSCs) suggested that there would be demand from employers for about 6,000 Young Recruits places across the sectors represented by the SSCs. This advice bolstered programme designers’ confidence that the programme would be popular and that the target number of places,

²⁴ *Review of Vocational Education – The Wolf Report*, Alison Wolf, March 2011

subject to other parameters (the available budget/level of subsidy equation), should be maximised. It also had impacts on the initial marketing of the programme (described in the next section).

2.7 Thirdly, in respect of available budget, programme planners originally hoped that European Social Funding could be drawn down to support the Young Recruits programme and, thereby, potentially increase its volume of participants. In the event, this proved to be difficult because of complexities in ESF regulations. In practice, therefore, budget was restricted to funding available from the Welsh Government.

2.8 Fourthly, the decision as to level of the employer subsidy (set at a maximum of £2,600) was a pragmatic one rather than one based, say, on formal 'market sensitivity' research. However:

- It would have clearly been difficult to undertake such preliminary research in circumstances where quick action was needed; and such research (which would have depended on asking employers to predict their behaviour in a range of hypothetical circumstances in which the subsidy was set at different levels) might well not have revealed answers which were reliable (since hypothetical and actual behaviours may not have been the same).
- The chosen level was broadly in line with other wage subsidy programmes within the UK and abroad (as referenced in our introduction). Particularly, for example, the 'round one' phase of the ReAct programme, introduced in October 2008, had offered employers up to £3,080 per employer to recruit and train redundant workers.
- Providers were supportive of the level of subsidy. One commented 'Yes, the level was appropriate. If it was too much there's a danger of abuse with employers taking on young people just for the money. If it was lower it would have been more difficult to recruit employers'.
- Of the 101 employers surveyed, 85 reported that the subsidy was a significant factor in their decision to recruit Apprentices. Those employers were asked what they would have done if the subsidy had been set at £25 per week instead of £50. Responses were:

Table 3: Impact of reduced wage subsidy on employer behaviour

	Percentage
Would not have taken on Apprentice	42
Would have taken on fewer Apprentices *	21
Probably would have still taken on an Apprentice	29
Would still have taken on an Apprentice	6
Not known	1
Total	100

* Cases where employers had taken on more than one Young Recruit

Source: Employer survey

Base: 85 employers who said Young Recruits subsidy was a significant factor in decision to take on an Apprentice

- When asked if the subsidy had been at a *higher* level, of £75 per week, 68% said they would have taken on more Apprentices – but in this circumstance, the total budget for Young Recruits would have had capacity for a lesser number of Young Recruits placement.

2.9 Thus, evidence from the employer survey suggests that a significantly lower level of subsidy would have made it considerably more difficult to recruit employers whilst a higher level would obviously have reduced the number of Young Recruits placements which would be available within a fixed budget for the programme as a whole.

2.10 Overall, therefore, with respect to setting targets for Young Recruits, the **key evaluation message** is that the balance of level of subsidy and the target number of Young Recruits placements chosen by programme designers was about right. A subsidy level broadly consistent with that of many other labour market subsidy and incentive programmes was sufficient to give a significant stimulus to the recruitment of a significant number of young Apprentices within the available budget. Correspondingly, therefore, the decision to retain the same subsidy level into the second tranche of Young Recruits Apprenticeships was appropriate.

Marketing the Young Recruits programme

Marketing the Young Recruits Programme: key findings

- Initial marketing of the programme, following its inception in August 2009, was low key. Sector Skills Councils had indicated that demand would be strong. Programme managers were, therefore, concerned not to raise expectations which could not be met. Slow take-up resulted, however, and marketing effort was significantly increased.
- The initial target of 1,000 places was met by December 2010.
- Marketing involved a mix of direct methods (events, radio advertisements, leaflets, posters) and indirect methods (via providers). The evaluation suggests that the latter method – providers using the subsidy to encourage employers to find new placements – was responsible for the greater part of YRP Apprenticeships.

2.11 As noted earlier, Sector Skills Council estimates had led to expectations of high demand. Programme managers describe initial marketing as being 'low key' in the expectation that employers identified by SSCs would come forward in sufficient numbers and to avoid the programme being swamped by excess demand which could not be met. Providers and Careers Wales were notified of the programme but there was no initial strong 'push' on them to recruit employers nor direct marketing to employers. However, in practice, the anticipated rush by employers to take up the Young Recruits offer didn't happen. Only between one and two hundred employers alerted by their SSCs initially came forward and between August 2009 and December 2009 there was only very low take-up.

2.12 Consequently, marketing was significantly ramped up in March 2010. A programme manager began a programme of visits (to JobCentre Plus, Careers Wales, business fora, providers, and SSCs) to promote the programme and give it a higher profile. Employer take-up accelerated and the initial 1,000 placements were secured by December 2010. Further marketing along the way included publicising of the programme at Apprentice Week and other employer events and radio advertisements. Leaflets and posters were distributed.

2.13 In consequence, programme managers report employer demand as now being in excess of places and report that Young Recruits is the

subject of more enquiries to the Welsh Government's Business Skills Hotline than any other topic.

- 2.14 Perhaps unsurprisingly, *providers* saw their own organisations as the key recruitment channel for Young Recruits, mainly through direct personal contact across their employer networks. One provider asserted that 'Employers don't take notice of national advertising. It has to be direct through providers. Our co-ordinators are out with employers, continuously informing them of Young Recruits and other government programmes'. Another reported 'We undertake a face-to-face approach, visiting employers and discussing the structure of Apprenticeship and the funding available'.
- 2.15 This latter perspective was largely confirmed by *employers*. Of those interviewed in some depth, two-thirds became aware of Young Recruits through a provider. Typical descriptions of their engagement were:

"We went to the local College regarding Apprenticeship training. The College was very helpful and suggested the Young Recruits programme – they supplied the Apprentice and Young Recruits was part of the package". [Engineering, 18 employees]

"There are so many different government incentives. Our training provider was able to sort out which applied in our case and that was Young Recruits". [Housing services, 170 employees]

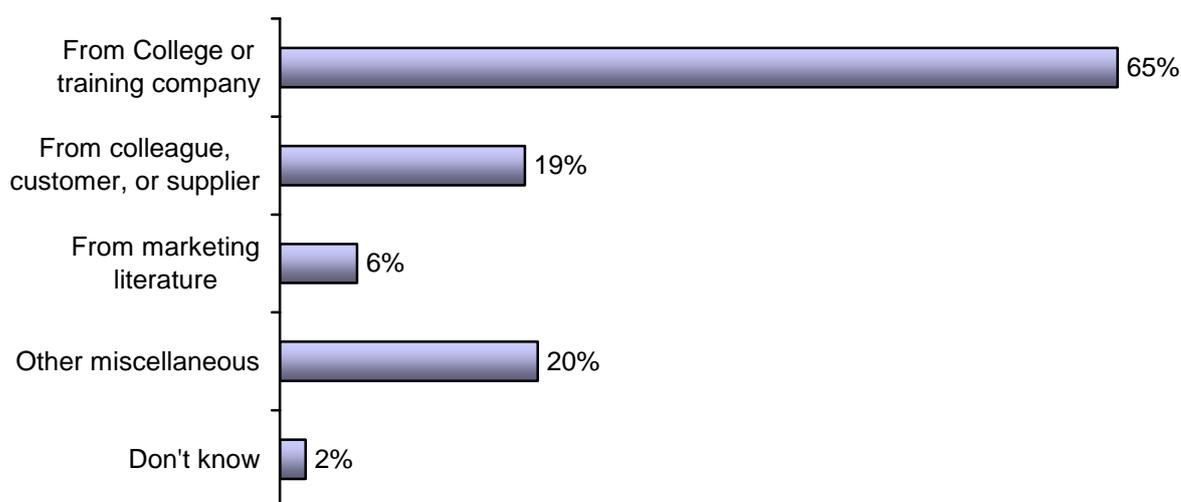
- 2.16 However, other routes were also involved:

"We found out in different ways. I am sure I had seen a flyer and the NVQ assessor visiting the other trainees spoke to us about it". [Care services, 12 employees]

"The business was in its early days but as the work picked up I required more help with the admin. I could not afford an adult so looked at taking an Apprentice to train up to our standard. I approached Careers Wales and they suggested Young Recruits". [Equipment rental, 3 employees]

- 2.17 In the telephone survey of employers, around three-quarters of respondents said they were alerted to Young Recruits by providers whilst only a small proportion were alerted by marketing literature:

Figure 1: How employers found out about the Young Recruits programme



Source: Employer survey

Base: 101 employers in the survey

Note: Multiple responses allowed; respondents could identify more than one source hence percentages add to more than 100%

2.18 Since the Young Recruits programme is of benefit to employers and makes no 'visible' difference to the Apprenticeship from the candidate point of view, the programme was not marketed to individuals.

2.19 Overall, the **key evaluation messages** are:

- There was an initial misjudgement about the marketing effort needed to establish Young Recruits. This was mainly because Sector Skills Councils had estimated a demand for places well in excess of the number available. Programme managers were therefore initially cautious (too cautious as it proved) in marketing the programme very actively.
- However, this was recognised by programme management within 6 months of the programme's inception and rectified by intensive effort to promote Young Recruits through a variety of agencies, backed up by supporting literature and advertising. Of these agencies, providers, with their existing procedures for establishing Apprenticeships, generated the greater proportion of Young Recruits placements. Marketing effort became successful to a point where the programme has been able to meet both its phase one and phase two targets.

Out-turn: the distribution of Young Recruit Apprenticeships

The characteristics of Apprentices and Apprenticeships: key findings

- Young Recruits Apprentices are, on average, younger than standard Apprentices even when the comparison is only with standard Apprentices aged 16 to 24.
- They are more likely to be male than standard Apprentices and to be located in construction, motor vehicle repair, and the 'other services' sector (a sector which includes hairdressing).
- Most employers of Young Recruits are small.
- The qualifications of Young Recruits prior to their Apprenticeships are modest, with around 6 out of 10 having fewer than 5 GCSE passes.

2.20 Distributions of Young Recruits Apprentices are derived from employer survey estimates (because LLWR has not systematically distinguished YRP Apprentices from Apprentices in general) and can, in some respects, be compared (sometimes only approximately) with distributions of 'standard' Apprentices obtained from the Welsh Learner Record system (LLWR).

2.21 Firstly, in terms of age, Young Recruits were, of course, younger than average:

Table 4: Age groups of Young Recruits Apprentices and standard Apprentices compared; all age groups

	Young Recruits	Standard Apprentices
	%	%
Age 16-17	52	9
Age 18-24	48	38
Aged 25 or above	0	53
Total	100	100

Sources: Employer survey (Young Recruits) and LLWR 2008
Bases: 126 Young Recruits whose ages were identified in survey; 41,875 standard Apprentices

2.22 It is suggested that Young Recruits are not only younger by virtue of the eligibility conditions of the programme but that, within the constrained Young Recruits age group (16-24 years), Young Recruits are considerably younger than standard Apprentices in this age group. 52% of Young Recruits were aged 16 or 17. Of those standard Apprentices *who were aged between 16 and 24*, 20% were aged 16 or 17. (Note: this comparison between the two groups is not exact and *needs to be considered cautiously* since the LLWR statistics are for Apprentices ‘on programme’ in the year whilst Young Recruits are aged as at programme start; however, the difference in proportions is sufficient to suggest that Young Recruits *are significantly younger than is average for 16-24 year olds in standard Apprenticeships*).

2.23 A second comparison of Young Recruits and standard placements, that of their Apprenticeship type, is also *not exact* since the employer survey recorded the ‘occupations-being-trained-for’ of Apprentices and coded them to Standard Occupational Classifications whilst LLWR has its own system for coding the types of Apprenticeship learning aims. However, data indicates the proportions of Apprentices in Young Recruits and standard Apprenticeships had the following patterns:

Table 5: ‘Sector’ distributions of Young Recruits and standard Apprenticeships; percentages

	Young Recruits	Standard Apprentices
Skilled trades in construction	33	12
Motor vehicle repair/retail	22	} 18
Other services (including hairdressing)	17	
Social care	10	25
Administration spread across a range of sectors	7	21
Skilled trades in engineering and manufacturing	6	21
Others	5	3
Total	100	100

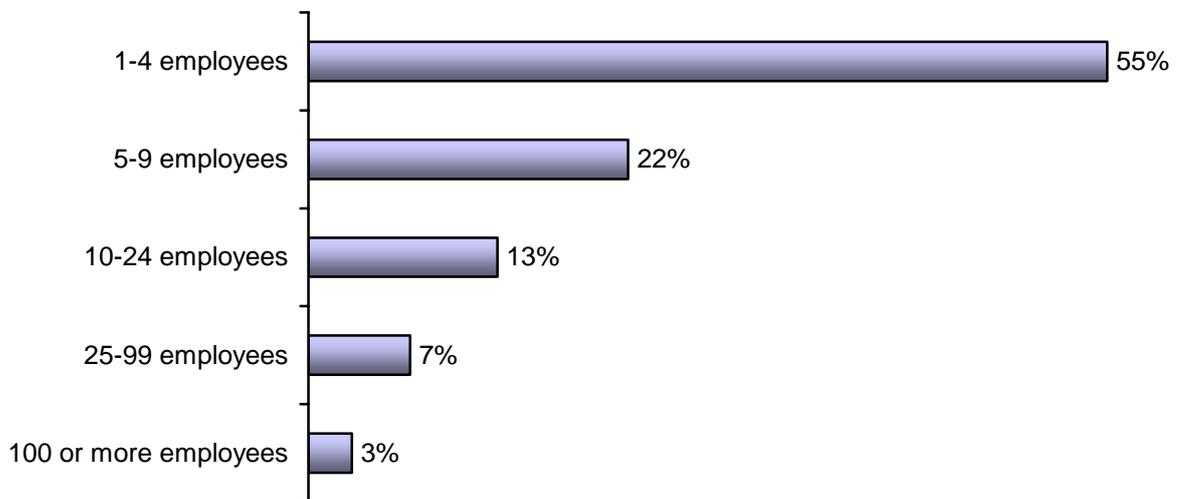
Sources: Employer survey (Young Recruits) and LLWR 2008/09 (Standard Apprentices)
 Bases: 147 Young Recruits whose occupations were identified in survey; 41,875 standard Apprentices

2.24 As above, this data needs to be treated *very cautiously*. The table uses a hybrid classification to bring the two classifications together and the volume of some types of Apprenticeship, those in the repair and retail of motor vehicles and in 'other services', is combined into a broader group in the LLWR classification. Whilst allowing for this imprecision, however, the data broadly suggests that Young Recruits Apprenticeships tend to have a somewhat narrower focus than standard Apprenticeships, with a higher concentration in construction, motor vehicle repair, and 'other services' and lesser concentration in the other main Apprenticeship areas.

2.25 Corresponding with their occupational distribution, 66% of Young Recruits Apprentices identified in the employer survey sample were male and 34% were female compared with a balance of 45% males and 55% females in standard Apprenticeships (LLWR 2008/09).

2.26 And as would be expected, from a concentration of Young Recruits placements in construction, motor vehicle repair, and 'other services', the majority of employers surveyed were small:

Figure 2: Employers of Young Recruits; workplace size*



Source: Employer survey
Base: 101 employers

* Of the 101 employers, only 13 were headquarters or branches or organisations with more than one site. The total employment of these organisations across all their sites was: 5-10 employees (3 cases); 50-200 employees (4 cases); 200 or more employees (6 cases)

2.27 Finally, in respect of the distribution of Young Recruits Apprenticeships, a quarter of employers in the survey did not know their Young Recruits Apprentices' qualification levels prior to starting their Apprenticeship. The remaining three-quarters of employers

collectively established that around 3 out of 10 Apprentices in each case were reported to have had *no qualifications*, to have had *between 1 and 4 GCSE passes*, or to have had *5 or more GCSE passes* (with the remaining 1 in 10 having 'other' qualifications). In all cases, of course, the level of the Apprentice's qualification was judged to be sufficient for their entry into the programme.

2.28 **Key messages for the evaluation** drawn from this analysis or the distribution of Young Recruits Apprenticeships are suggested below.

2.29 Firstly, the programme was, designed to generate placements for young people. Programme conditions ensured that only candidates aged between 16 and 24 were supported. However, employer survey statistics also suggest that the programme has achieved a more substantial focus on 16 and 17 year olds than do standard Apprenticeships (those taken up by those aged 16 to 24 years). Given the particular difficulties for young people of 16 to 17 who do not continue in education and the high costs of becoming NEET in these years (as discussed in our introduction), this finding points to a particularly valuable aspect of the programme. And, more generally, Young Recruits may also have helped to counteract the decline in opportunities for younger Apprentices which has occurred in recent years. For example, LLWR data shows that the total number of Apprenticeships in Wales, at Levels 2 and 3 combined, fell from 49,700 in 2006/07 to 41,875 in 2008/09 (LLWR). Within this, the number of Apprenticeships for Apprentices aged 16 to 24 fell by 19% compared with a 13% fall in those for Apprentices aged 25 or older.

2.30 Secondly, Young Recruits was not established with any particular sector focus. It was intended to focus on opportunities for young people rather than seeking to support particular industries or sectors (in line, say, with the priority sectors of Wales' economic renewal strategy). The outcome, as described above, has been a programme somewhat weighted, when compared with the standard Apprenticeship programme, to construction, motor vehicle repair, and 'other services' sectors. Programme managers suggest that this is largely because some substantial providers have pursued opportunities in sectors with which they have strong links and related training capacity. The point for this evaluation is twofold. Firstly, as far as Young Recruits' history to date is concerned, the actual sector outcome, since programme planning did not include a sector-specific aspiration, is neutral – the programme has broadly achieved its objectives for numbers of placements and is not concerned with their

distribution. For the future, however, the achieved distribution perhaps raises the question as to whether the Young Recruits programme should be wholly demand-led (in the sense that providers recruit employers who are willing to offer placements without further constraint); or whether it is desirable (or feasible) that any future rounds of the programme should align more closely with national economic strategy.

2.31 Thirdly, the distribution of Young Recruits Apprenticeships is strongly weighted to placements with small employers. The significance of this will be discussed in a subsequent section on the programme's 'additionality'.

2.32 Finally, the analysis has observed that the qualifications profile of Young Recruits Apprentices is fairly modest (even allowing for a degree of employer ignorance on this point). Around 7 out of 10 do not have 5 GCSE passes. This proportion comprises 3 out of 10 who have between 1 and 4 GCSE passes, 1 out of 10 who have 'other' qualifications, and 3 out of 10 who have no qualifications at all. This emphasises the probable labour market vulnerability of the cohort if Young Recruits had not made places available to them. It also forms a backdrop for observations on Young Recruits' capabilities and achievements which will follow in a later section.

Administration processes

Administration: key findings

- A majority of employers is satisfied with the administration of Young Recruits, but a significant minority is dissatisfied. Concerns are with the requirement to produce all weekly wage slips to justify subsidy payments and with slow payment.
- Programme managers report that the central administration team has been under-resourced at times of peak demand and backlogs in processing employer applications and payment claims have resulted.
- Young Recruits Apprenticeships have not been recorded effectively on LLWR.

2.33 The evaluation offered a number of insights into the administration of Young Recruits.

2.34 First, programme managers reported that, in part, the payment mechanisms for the programme were initially designed in the light of the possibility that European Social Funding might support Young Recruits. This led to a payments system – quarterly, in arrears, on production of all weekly wage slips – which was believed to be more complex than might have otherwise been the case. One programme manager described the system as ‘having become an administrative nightmare’ from the management point of view and reported that the central administration team had been under-resourced at particular ‘pressure points’ resulting in backlogs in processing employer applications and payment claims. Instances were reported where employers had initially paid ‘cash in hand’ and were consequently unable to justify a Young Recruits claim. At an early stage, there was an error on the claim form such that just one wage slip was requested per quarter. Letters of approval had to be amended so as to establish that all 13 wage slips for the quarter were required.

2.35 From the employer perspective, these issues caused some dissatisfaction. During in-depth interviews, employers remarked:

“We had a misprint in one of the early forms which delayed the first payment – payslips or something. I think it is sorted now though”. [Vehicle repair, 7 employees]

“Having to supply the wage slips is an issue. Both Apprentices have the same start dates but we have to send different sets of pay slips for each and that has caused a lot of confusion and delayed the payments – it all seems a bit fragmented”. [Electrical engineering, 85 employees]

“There have been some payments delayed by weight of numbers on the system”. [Engineering, 10 employees]

2.36 One ‘depth’ interviewee reported that, when applying for funding, the two Apprentices they had in mind had been employed a little beyond the 20 week limit for acceptance for Young Recruits funding and had consequently been refused. Perhaps unreasonably, given that the programme needed a firm time threshold for eligibility in order to meet its objectives, this had had a negative impact on their perception of the programme:

“The first two we couldn’t get funding for. They had been employed for just a little bit too long. We will have to look closely

before continuing with Young Recruits". [Housing services, 170 employees]

2.37 However, these somewhat negative perceptions were offset by positive ones such as:

"No problems – all smooth. The communication between all parties has been excellent. The whole thing went better than expected." [Transport service, 3 employees]

2.38 An analysis of the issue based on employer survey data suggests that dissatisfaction with administration, whilst significant, is essentially felt by minorities of employers; the largest minority, of around a third of employers, concerning the timeliness of payments:

Table 6: Employer satisfaction with some administrative aspects of the Young Recruits programme; percentages

	Very dissatisfied	Quite dissatisfied	Neutral	Fairly satisfied	Very satisfied	Don't know
Ease of applying for the Young Recruits programme	12	7	17	26	33	6
Timeliness of payments	15	17	19	21	15	14
Quarterly structure of payments	8	12	16	26	28	11

Source: Employer survey
Base: 101 employers

2.39 An 'internal' administrative issue – not one which concerns employers – is the accuracy with which Apprentices supported by Young Recruits funding are identified on the LLWR database. It is recognised by programme managers that recording has been poor; one reporting that of the first 1,180 Young Recruits, providers had only identified 150 on LLWR. A provider also recognised that recording was poor; whilst a document²⁵ provided by the governments of England, Scotland and Wales identified recording confusion between Young Recruits and a parallel programme. The document asserts that:

²⁵ *Young Person's Guarantee Official Statistics*, DWP/BIS/the Scottish Government/the Welsh Assembly Government, 13th April 2011

“There have been some larger than normal revisions to ‘Young Person’s Guarantee – Routes into Work’ starts in Wales. Some learning providers were previously miscoding learners as being on the Young Recruits programme rather than the ‘Young Person’s Guarantee – Routes to Work’ training, both of which have similar codes in the data collection. This has now been corrected”

2.40 Infrequent and inaccurate recording of Young Recruits on the LLWR system has the obvious disadvantage that the programme cannot be monitored effectively and that evaluation, as here, is somewhat hampered by the absence of strong quantitative data on the structure of Young Recruits participation and on outcomes of the programme for Young Recruits themselves.

2.41 Thus, **evaluation messages** arising from consideration of programme administration concern improvement to the payments procedure (consistent with maintaining public confidence in the programme’s probity) and to the identification of Young Recruits Apprentices on LLWR.

Effectiveness of the programme

Effectiveness of the programme: key findings

- Recruitment of Young Recruits was by the same methods as used to recruit standard Apprentices – a largely informal mix of processes in which providers put forward likely candidates or employers identify a young person, either someone they know and want to take on or someone already in a job with them (within the 20 week limit in the Young Recruits case). In consequence, around 4 in 10 employers do not interview or interview only one candidate. Where more than one candidate is interviewed, the average number of interviewees is around three per vacancy. Around two-thirds of employers find it easy to find a suitable Young Recruit.
- Employers are broadly satisfied with their Young Recruits. Only 6% are dissatisfied. Young Recruits Apprentices are mainly not seen as different in quality from standard Apprentices (and if they are seen as different it is more often to the Young Recruits’ advantage).

(continued)

- 9 out of 10 employers said that the programme had encouraged them to take on other young people in future.
- The great majority of employers saw the off-site training element of the Apprenticeship and the programme as a whole as satisfactory.

2.42 The evaluation considered the effectiveness of the programme from a number of perspectives.

Selection of Apprentices

2.43 Providers, as noted above, used their normal procedures for selecting Apprentices – either relying on employers who put candidates forward or selecting them from their internal ‘pool’. One provider describes the latter process in a little more detail:

“We continually receive applications from a range of sources including Careers Wales and direct applications – around 300 per year. We test applicants to see if they are capable of undertaking engineering-based Apprenticeships and build a pool of candidates to draw on. We provide companies with a list of 10 applicants from which to select interviewees”.

2.44 It was also noted by programme managers (though not by the providers interviewed as part of the study) that Pathways to Apprenticeship²⁶ is being used as a ‘feeder’ programme for Young Recruits although the extent of this is not known (because, as earlier, LLWR data is not sufficiently complete and accurate to detect the linkage).

2.45 In depth interviews, employers confirmed the mix of routes by which Apprentices are selected:

“There was a youngster we knew who we thought might be suitable and we looked into what it might mean for the company to offer him an Apprenticeship”. [Engineering, 18 employees]

“We were initially approached by this young lad for a SkillBuild programme or an Apprenticeship. We put him on SkillBuild and he proved to be so good we wanted to offer him something of a

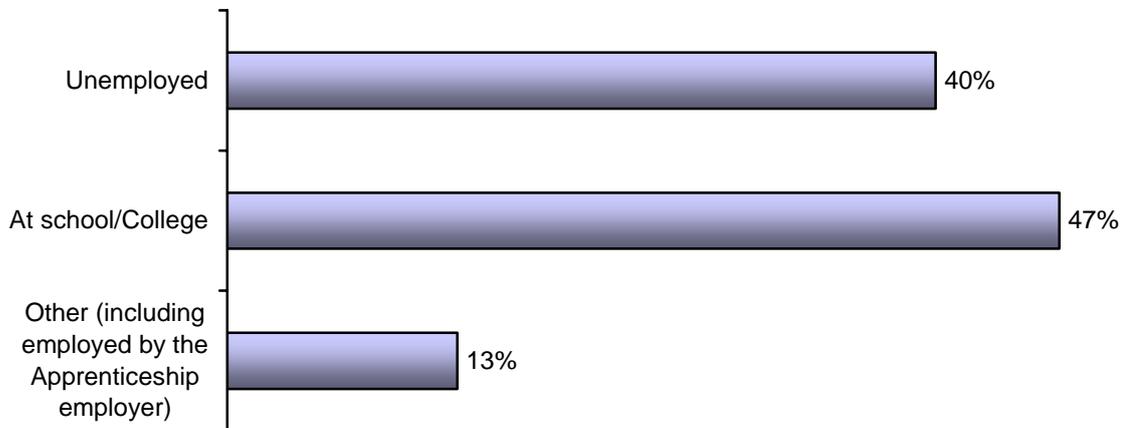
²⁶Pathways to Apprenticeship involves one year in vocational learning, mainly undertaken with a training provider, preparatory to learners taking up an Apprenticeship (which is a frequent but not guaranteed outcome of Pathways to Apprenticeship participation)

‘next step’ and went to the training provider about the course”.
[Engineering, 10 employees]

“We get CVs sent to us and referrals from the College or the ECITB and then we go through the interview process and selection goes from there”. [Electrical engineering, 85 employees]

2.46 The employer survey provides statistical data on the process. Firstly, the survey asked employers what their Young Recruits were doing before their Apprenticeship. Their responses were:

Figure 3: Previous status of Young Recruits Apprentices



Source: Employer survey

Base: 146 Young Recruits whose previous status was identified by employers

2.47 The question of previous status may be a little ambiguous. In particular, the ‘at school’ or ‘at College’ responses may have been given with the meaning of ‘he/she had recently left school or College and was looking for the next step’ as well as the other possible meaning of ‘he/she dropped out of their school/College learning to transfer into Apprenticeship’; and employers who supplied an Apprenticeship to an employee within the 20 weeks limit may have reported previous status before the employer initially took them on rather than before they transferred into the Apprenticeship. However, at face value, the data suggests that applicants came from outside of existing employment with the company more frequently than that ‘within 20 weeks employees’ were transferred into Young Recruits Apprenticeships.

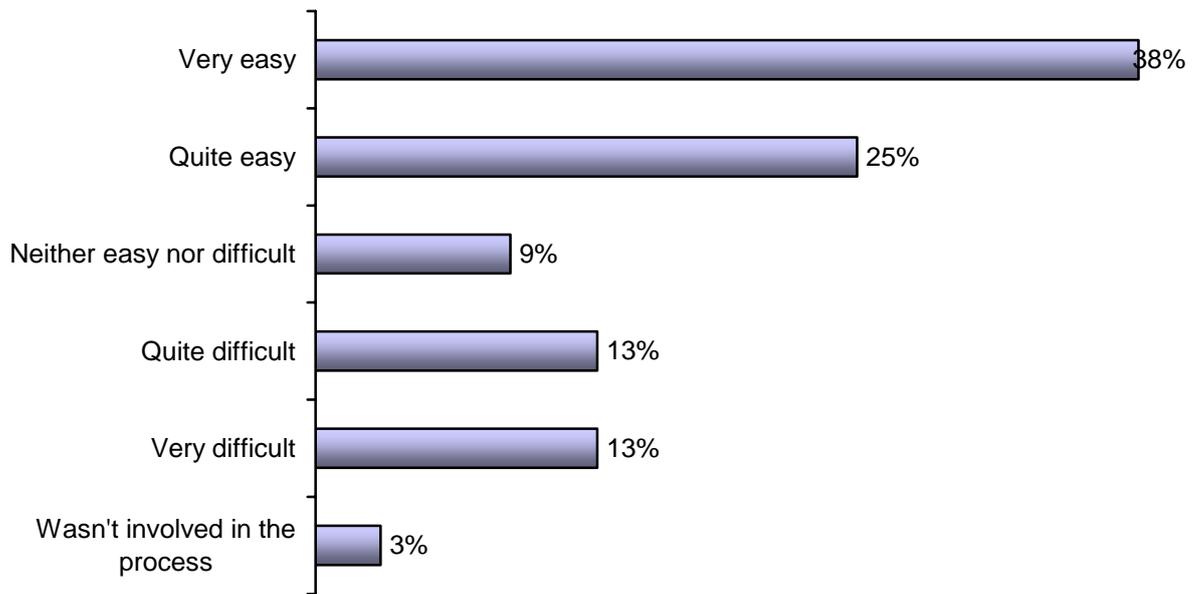
2.48 This latter perspective was supported when respondents were asked how many candidates were interviewed for the placement vacancy.

Only 5% said they did not interview for the vacancy, suggesting in these cases that the Apprenticeship was created for a particular individual with known capabilities (possibly an existing 'within 20 weeks' employee though the survey did not confirm this). More ambiguously, 35% of respondents interviewed just one candidate. This candidate may have been, as in the depth interview cases above, someone who approached the company and was interviewed to confirm suitability or may have been cases where the first referral from an external agency, a College, Careers Wales, or other, proved to be acceptable. The remaining 60% of cases interviewed two or more candidates. Including the few cases who interviewed no-one and those who interviewed just one, the average number of interviewees per company was four. Excluding the former (ie. based only on companies interviewing two or more recruits) the average number of interviewees was between six and seven.

2.49 Respondents were also asked how many of their interviewed candidates (where more than one was interviewed) were suitable for employment as an Apprentice [including the one(s) actually employed]. The average number of suitable candidates was 2 – in relation to an average, as above, of 6/7 interviewees for these companies. In short, around 1 in 3 or slightly fewer of the candidates who came forward or were put forward were of an adequate standard for Apprenticeship in the eyes of the employers who interviewed them.

2.50 Thus, in summary, examination of the selection processes for Young Recruits suggests that the same mix of informal and formal inputs as in Apprenticeship generally applied to Young Recruits selection. Essentially, the same routes, processes, and 'candidate pools' were used. Generally, it seems that the result was that employers did not have to interview excessive numbers of potential Young Recruits in order to find acceptable candidates. This conclusion is confirmed by employer responses to a survey question which asked them directly how easy or difficult they found the process of finding a suitable Young Recruits Apprentice. Only around a quarter of employers had any level of difficulty:

Figure 4: How easy or difficult was it to find a suitable Young Recruits Apprentice



Source: Employer survey
Base: 101 employers

2.51 The key message for the evaluation is that processes for selecting Young Recruits were in line with those for standard Apprentices, and that use of these methods resulted in a selection process which had no undue or unusual consequences for employers.

Employer satisfaction with Young Recruits Apprentices and with the Young Recruits programme

2.52 Following a selection process which appears to have been broadly satisfactory from the employer point of view and which allowed them a degree of choice of candidates, it would be expected that, in the main, they would find their Young Recruits to be satisfactory. This was very clearly the case for all of the employers interviewed in some depth. Three comments are set out below. These are in line with comments from other respondents:

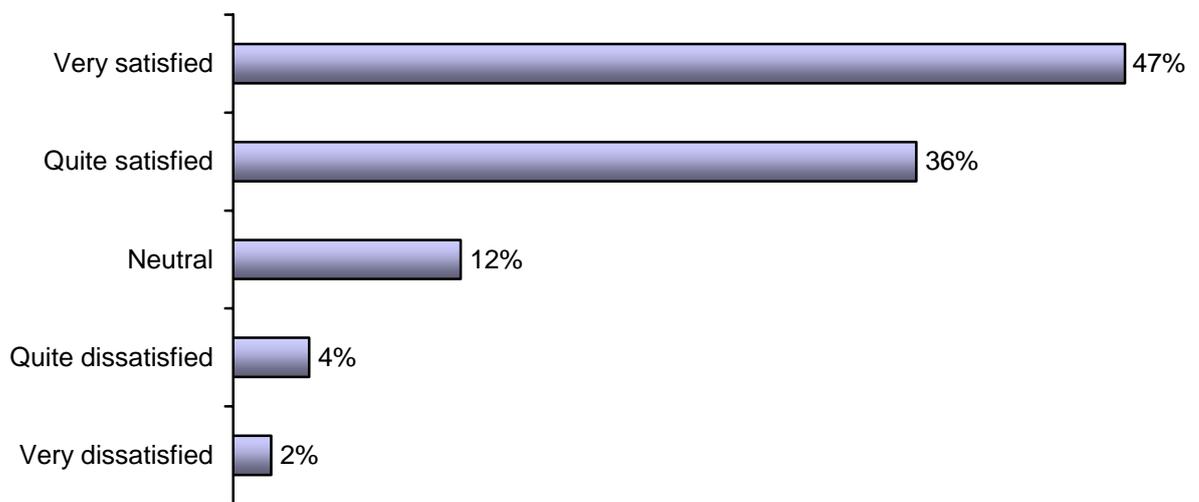
“He’s making excellent progress, I wish I had ten more like him”.
[Engineering, 10 employees]

“I’m shocked and impressed by his progress. Since starting the course, he has shown increases in knowledge and confidence. It has given us a competent receptionist as well as a trainee technician”. [Private health service, 3 employees]

“They are doing very well. Some find the College work difficult but the College assessor is one of the better ones so in general everything’s fine. One might occasionally strip a thread or something but we all did that when we were learning”. [Vehicle repair, 7 employees]

2.53 The survey also asked employers about their satisfaction with Young Recruits’ overall quality and performance. Results were overwhelmingly positive:

Figure 5: Employer satisfaction with their Young Recruits’ quality and performance



Source: Employer survey
Base: 101 employers

2.54 When those employers who had had other Apprentices on ‘standard’ terms as well as Young Recruits Apprentices were asked to compare the two, around 7 in 10 said there was no difference. Of the remainder, more than twice as many said Young Recruits were better than said standard Apprentices were better.

2.55 Given these positive views of their current Young Recruits, it might be expected that some positive effect on these employers’ view on the employment of young people in future would occur. Apart from 3% who couldn’t say, this was the case for the great majority of the 101 employer survey respondents:

- 8% said Young Recruits had already encouraged them to take on one or more other young people.
- 81% said it would encourage them to do so in future.

- Only 10% said that Young Recruits had not encouraged them in this direction.

2.56 Turning to the programme as a whole, employer respondents reported a range of positive benefits including those for Apprentices, for workforce skills, and for the company's costs:

"It allows us to train to the standard required and he will get a qualification which will allow him to go on to HNC or HND".
[Engineering, 10 employees]

"It gives us the ability to take on an extra Apprentice able to do the High Voltage training – a growing sector for the industry and for us as a company". [Electrical engineering, 85 employees]

"I get the help I need without having to cut deeply into income".
[Equipment rental, 3 employees]

"The funding helps to pay for the training and we have the person we want". [Engineering, 18 employees]

2.57 The employer survey also suggests that employers are mostly satisfied with the off-site training element of the programme and with the programme overall:

Table 7: Employer satisfaction with the off-site training element and with the Young Recruits programme overall

	Very dissatisfied	Fairly dissatisfied	Neutral	Quite satisfied	Very satisfied	Don't know/ doesn't apply	Total
	%	%	%	%	%	%	%
Off-site training provision	3	1	17	20	58	1	100
Young Recruits programme overall	6	4	16	33	40	-	100

Source: Employer survey
Base: 101 employers

2.58 The key message for the evaluation (extrapolating from employer survey findings) is that Young Recruits has put into place Apprentices who are mostly well-regarded by their employers and, correspondingly, the programme is regarded as satisfactory (or better) by three-quarters of employers and unsatisfactory by only 1 in 10 employers.

Effectiveness of the programme from the Apprentice viewpoint

Apprentice's views of programme effectiveness: key findings

- Apprentices are very positive about their Apprenticeships. They report positive on-site and off-site experiences and high valuations of the qualifications they are developing and of their work experience. They describe the development of their social and communication skills in parallel with the development of technical skills.
- The only downside they report concerns pay, which, in some cases, is felt to be low.

Profile of Apprentices consulted

2.59 The views and experiences of eight Apprentices who had been supported under the Young Recruits programme were sought as part of this study. Because of restrictions on the use of LLWR data, these Apprentices were identified via the employer telephone survey, in which respondents were asked if they would provide access to their Apprentices at a future date. Employers were then contacted and reminded about their participation in the survey and asked whether they were agreeable to releasing an Apprentice for a telephone interview. Given that these Apprentices were selected by employers rather than randomly, their representativeness cannot be assumed.

2.60 Depth interviews were evenly split between male and female Apprentices and their ages ranged from 17-20. Apprentices were undertaking training in the following occupations:

- Automotive technician
- Plumber
- Beautician
- Nursery nurse

- Business administration
 - Dental technician
- 2.61 Respondents were unaware that their Apprenticeship had been supported by the Young Recruits programme. Thus, issues explored in interviews concentrated on their experiences of their Apprenticeship to date.

Routes into Young Recruits-supported Apprenticeships

- 2.62 Respondents had various levels of work and training and experience prior to commencing their YR funded Apprenticeship. Half of the Apprentices interviewed were not working with their current employer prior to their Apprenticeship, with some having dropped out or having just completed college courses or school, whilst one had been made redundant from a previous Apprenticeship placement.
- 2.63 Of the remaining Apprentices interviewed, some had been undertaking work experience placements with their employers (one through the Future Jobs Fund) while others were already working for their employer (within the 20 weeks eligibility limit).
- 2.64 Respondents described how they had been keen to secure Apprenticeships as they felt that these would be a good way of securing jobs with training that would be helpful for their future career prospects. A few described how they had applied for many opportunities before securing their Apprenticeship:

“It took me a good couple of months to find an Apprenticeship..., but I made a lot of phone calls and I probably put in over 30 written applications and only got two replies - but one of those was a yes!” [Plumbing Apprentice, Male 19]

Experiences of the Young Recruits Apprenticeship programme

- 2.65 The Apprentices interviewed during the evaluation were overwhelmingly positive about their experience as Apprentices, with all describing how they have had good levels of support from both their employer and work based learning providers:

“My tutors are ideal for me, they know the job. I can understand what they are saying – where they are coming from. They are straight talking; they know the best ways, the easier ways of doing the work”. [Automotive Apprentice, Male 19]

"I am enjoying it. The people are lovely, my training assessor is a beautician herself so really does know all about the job".

[Beautician Apprentice, Female 19]

- 2.66 Apprentices were very positive that participation in the programme was enabling them to work towards and to achieve qualifications, with significant value for their future career progression:

"The NVQ level 3 is most important to allow me to get the grades to qualify to do the Dental Tech job. The Apprenticeship has definitely improved and increased my options. I am in the process of deciding where to do further Dental Technician training. Liverpool or Cardiff both do good courses. The Apprenticeship is a good experience to have before starting this". [Dental Technician Apprentice, Male 17]

"The Apprenticeship has definitely improved my chances - I had tried college on a sports science course but I was not happy at college all the time. I much prefer to be at work and learning. I only have GCSEs so I need a qualification. The Apprenticeship will help with me getting on - maybe a promotion and more money. The learning and the work experience gives you a better chance". [Business Administration Apprentice, Female 19]

- 2.67 Being able to gain employer-based work experience whilst training was also identified as a valuable aspect of Apprenticeships, since this provided respondents with the opportunity to apply their skills and knowledge:

"I am definitely improving and learning all the time. I did IT at school but I am learning more about how it's used, how it fits into what happens at work, and in the workshop. I have always been into cars and I am learning a lot about different ones now. More in detail as well". [Automotive Apprentice, Male 19]

"Of course the practical element is the most important. If you do it all in college you don't get the real practical experience of daily life in a commercial salon – it's the practical that gives you the edge – a better chance when you have experience of dealing with real customers". [Beautician Apprentice, Female, 19]

- 2.68 Additional benefits of undertaking an Apprenticeship were also described by respondents, with most describing how it has enabled

them to develop their practical, social, and communication skills and with most reporting that their confidence has improved:

“Before I did the Apprenticeship I would have been scared to death of supervising people but I am confident enough to handle it now and I don’t have too many problems – I suppose that’s to do with communication as well so... I find it quite surprising really”. [Business Administration Apprentice, Female 19]

2.69 Although Apprentices’ experiences of the programme itself were broadly positive, some did advise that they felt that the levels of pay were low and difficult to live on, especially when they were working long hours.

2.70 Furthermore, some reported that they would have liked the opportunity to undertake further training and qualifications as part of their Apprenticeship in order to help them to further improve their career prospects, but they were aware that funding was only available to support them to a certain level:

“I just wish I had been able to go on to level 3 – but maybe in the future the funding will be there and I can do it”. [Business Administration Apprentices, Female 20]

2.71 Overall, the key message for the evaluation is simply that all the Young Recruits Apprentices reported very positive Apprenticeship experiences, supportive employers and external training providers; and had confidence that their Apprenticeships would further their career aspirations.

Outcomes

Outcomes: key findings

- Indicative employer survey evidence (indicative since most Young Recruits were still on the programme at the time of survey) suggests that completion rates will be at least comparable with those of standard Apprentices.
- 86% of surveyed employers expected to employ their Young Recruit beyond their Apprenticeship and 14% said they would do so if their level of business permitted.

2.72 Because many Apprentices are still on programme and because LLWR identification of Young Recruits Apprentices has been inconsistent, it is not possible to calculate formal completion rates for the programme from LLWR data.

2.73 One insight into the issue was given by a provider who reported that they had tried, with standard Apprenticeships, to achieve an overall 85% completion rate, and had done so. However, this averaged a 90% rate for Apprentices aged 19-24 and a 74% rate for those aged 16-18. The provider explained this difference in terms of the lower work-readiness of younger school and College leavers. The provider believed (as results reported earlier suggest) that Young Recruits have an average age below that of the standard Apprenticeship 16-24 years cohort and, thus, that the programme's achievement might fall below that of standard Apprenticeship.

2.74 However, none of the employers interviewed in depth reported that their young Recruit(s) had not or would not complete.

2.75 In the employer survey, employers were asked what had happened to the Apprentices supported by the programme. Their statuses were reported as:

Table 8: Current status (at time of survey) of 147 Young Recruits Apprentices

	Number	%
Still on programme	119	81
Made redundant	2	1
Employed by Young Recruits employer after completing	10	7
Employed by Young Recruits employer; didn't complete Apprenticeship	2	1
Completed the Apprenticeship and has since left the employer	3	2
Didn't complete the Apprenticeship and has since left the employer	6	4
Not known	5	3
Total	147	100

Source: Employer survey
Base: 101 employers/147 Young Recruits

- 2.76 Employers reported that in the 8 cases where Apprentices had not completed, the reasons were mainly concerned with Apprentice attitudes [didn't try hard enough (3 cases); preferred to be unemployed (1); didn't turn up/disappeared (1); thought he/she didn't get enough money (1)]. Only two cases concerned the Apprenticeship itself [it turned out not to be as useful as the business thought and we stopped it (1); there were difficulties in getting the right off-the-job training provision (1)].
- 2.77 Where Young Recruits were still on programme, employers were asked whether they expected them to complete, 98% said they expected completion, only 1% expected non-completion, and 1% couldn't predict.
- 2.78 If these employer predictions are borne out, the data suggests a very high completion rate. If, say, there were 115 completions from the 119 Apprentices still on programme, and this is added to the 13 completions thus far (from the last table), then a completion rate of 87% (128/147) would be achieved. If employers are over-optimistic and, say, only 100 of the 119 cases still on programme complete, then a completion rate of 77% (113/147) will be achieved. It appears that employer predictions would need to be very inaccurate for the programme completion rate to fall to a level which was substantially below the typical rates for standard Apprenticeships (Level 2 Apprenticeship completion rate for 16-18 year olds is 76% and for those 19 and older is 81%; Level 3 Apprenticeship completion rate is 80% for both 16-18 year olds and those 19 and older; LLWR 2008/09).
- 2.79 There was a high expectation that Apprentices would be employed following completion. 86% of survey employers expected to definitely employ them, 14% said that there was some uncertainty and that workload and other factors would determine the employment outcome. None said that they definitely did not intend to employ their Young Recruit Apprentices.
- 2.80 The **key messages for the evaluation** are that the Young Recruits Programme appears to be on course to deliver completions at a rate consistent with that of standard Apprenticeships and that the likelihood of Apprenticeships converting to employment appears strong. There is no indication in the survey data (or in depth interviews) that subsidy has induced employers to take on Young Recruits solely for the money, with little commitment to the Apprenticeship itself, and, of course, in some cases the subsidy is

relatively minor in relation to the whole cost of the programme. One training provider pointed out: 'Engineering Apprentices are very expensive. Adding in training costs, an average wage of £10,000 for 4 years, and time for supervision, it can cost £80,000 in total – so, £2,600 is only a small reduction relative to the whole'.

The additionality of the Young Recruits programme

Additionality: key findings

- 84% of employers acknowledged the importance of the Young Recruits subsidy to their decision to take on an Apprentice. Providers confirmed the value of the subsidy in helping them to persuade employers to provide a placement for a young person.
- 6 out of 10 employers (58%) had never had an Apprentice before and a further 14% had not had an Apprentice in the last 18 months. These figures reinforce the view that the programme's impact in generating Apprentice places which otherwise wouldn't have been available was substantial.

Introduction

2.81 The evaluation sought to address the value which the Young Recruits programme added to the standard Apprenticeship programme. Essentially, this required the stimulation of more places for young Apprentices than would otherwise occur. As noted in our introduction, the focus was on employers who would not otherwise have taken on a young Apprentice but could be encouraged to do so, and on employers who could be encouraged to take additional Apprentices over and above their anticipated or normal level of recruitment of Apprentices.

New-to-Apprenticeship employers

2.82 There was no particular intent in the programme to encourage employers who had not previously had Apprentices into the programme but, clearly, in these cases, the likelihood of their placements being truly additional may be higher than in cases where employers regularly recruit Apprentices and merely had to assert that they would not have recruited the Apprentice(s) in this case in order to receive the subsidy. In the event, the engagement of new-to-Apprenticeship employers appears to have been significant (even

though the providers interviewed in the study reported that they did not specifically target new-to-Apprenticeship employers).

2.83 Of nine in-depth interviewees carried out with employers, five had never had Apprentices though some of these had had trainees, for example:

“We generally take trainees through admin courses. We wanted two but couldn’t get funding for both so Young Recruits was instantly interesting”. [Transport service, 3 employees]

“All employees have to be trained and we had considered Apprenticeship but couldn’t make it work before Young Recruits”. [Care services, 12 employees]

2.84 Three of these employers had previously had Apprentices but not at the time they took on their Young Recruit(s):

“We always tried to have one Apprentice per year but last year we had been unable to afford it”. [Vehicle repair, 7 employees]

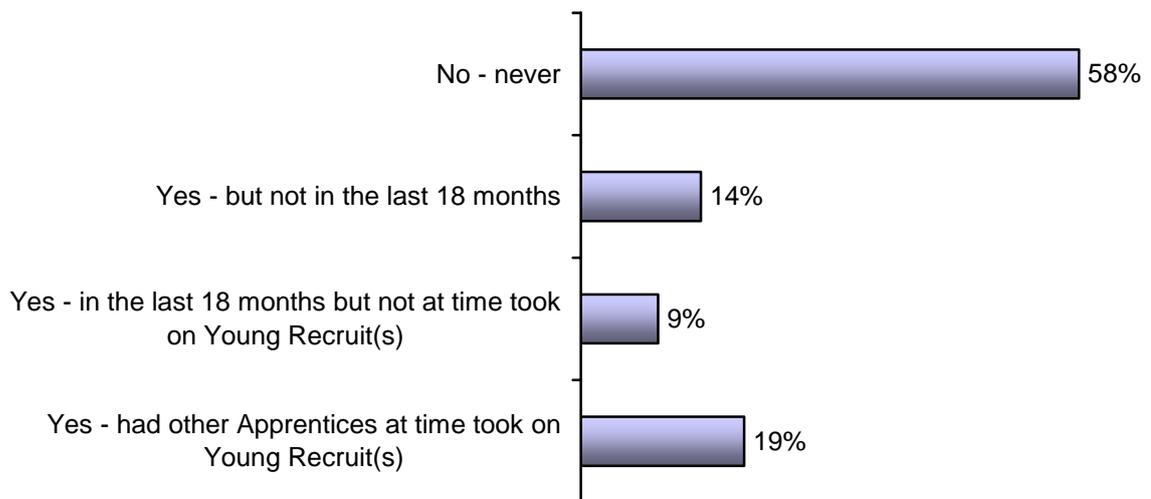
“We had an Apprentice locksmith about 5 years ago but that didn’t turn out so well so none since. The time had come when we felt we could have a trainee if we could afford it”. [Engineering, 18 employees]

2.85 One already had an Apprenticeship programme in place:

“We have consistently had Apprentices. We were considering a new one. Young Recruits made the decision easier and meant we could take two instead of one”. [Electrical engineering, 85 employees]

2.86 In the employer survey, respondents were asked whether they had previously had Apprentices:

Figure 6: Whether employers had previously had Apprentices



Source: Employer survey
Base: 101 employers

2.87 Thus, the survey estimates a substantial rate of engagement with ‘new’ employers and further cases where ‘lapsed’ employers had been re-engaged. Overall, nearly three-quarters (72%) of employers had never or not recently had an Apprentice. This group was strongly weighted to businesses employing fewer than 25 people – 55 of the 72 cases – and of these latter, 44 employed fewer than 5 people.

Encouraging employers to take on additional Apprentices

2.88 Young Recruits is an incentive programme – a wage subsidy to encourage Apprentice recruitment. Providers asserted that the subsidy was a valuable aid in employer engagement. One remarked that:

‘It took away a barrier which stopped employers taking on Apprentices. Operators or training managers could go to their directors and say that an Apprentice will attract a subsidy and that would persuade them’.

2.89 Some in-depth employer interviewees made it clear that the subsidy was critical to recruitment:

“Crucial. As a small business we could not afford to take on anyone who was not immediately productive without some form of assistance with their pay”. [Electrical engineering, 85 employees]

“It was the clincher enabling me to finance a trainee”.

[Equipment rental, 3 employees]

“Very important – it allowed us to select the extra Apprentice”.

[Electrical engineering, 85 employees]

2.90 For others it was a strong influence:

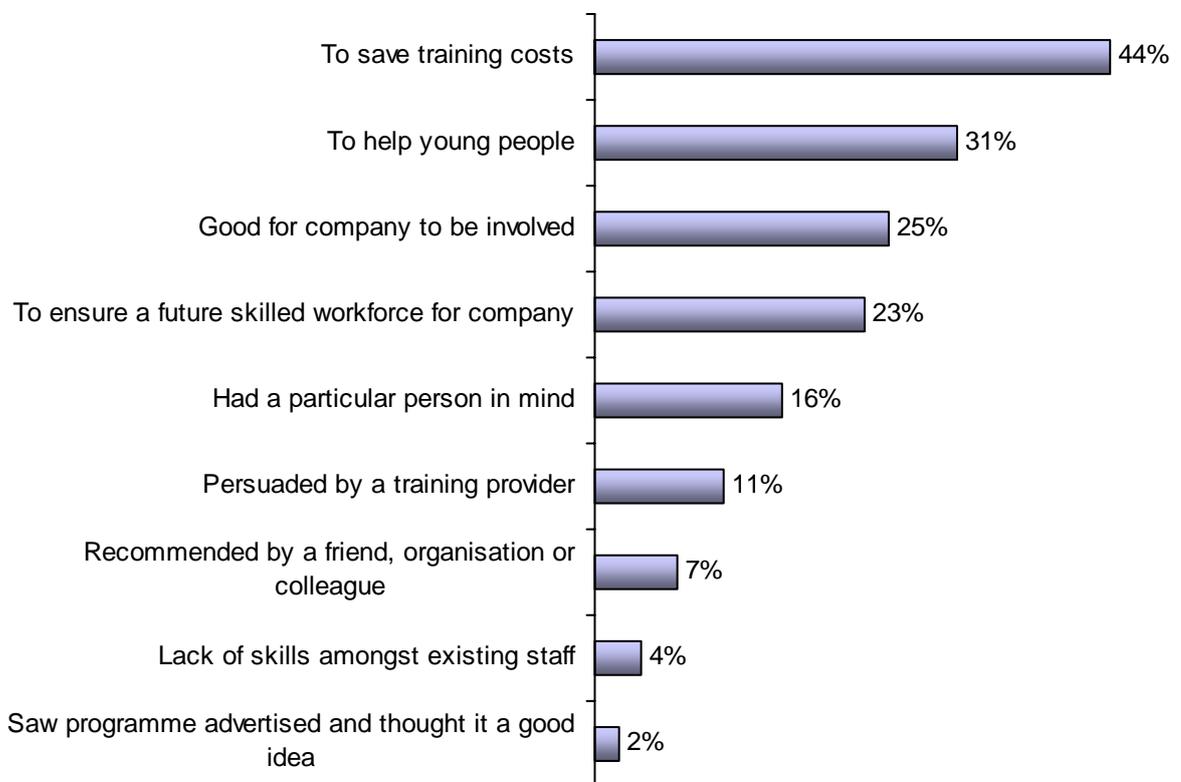
“It was a very strong influence. It pays for the down time inherent in any training”. [Private health service, 3 employees]

“Financial support was a very strong influence – without it the decision would have been a lot more difficult”. [Vehicle repair, 7 employees]

2.91 None of these respondents said that Young Recruits funding was not significant to their recruitment of Apprentices.

2.92 In the employer survey, the impact of the subsidy was put in the context of wider motivations for engagement:

Figure 7: Motivations for employer engagement with the Young Recruits programme



Source: Employer survey

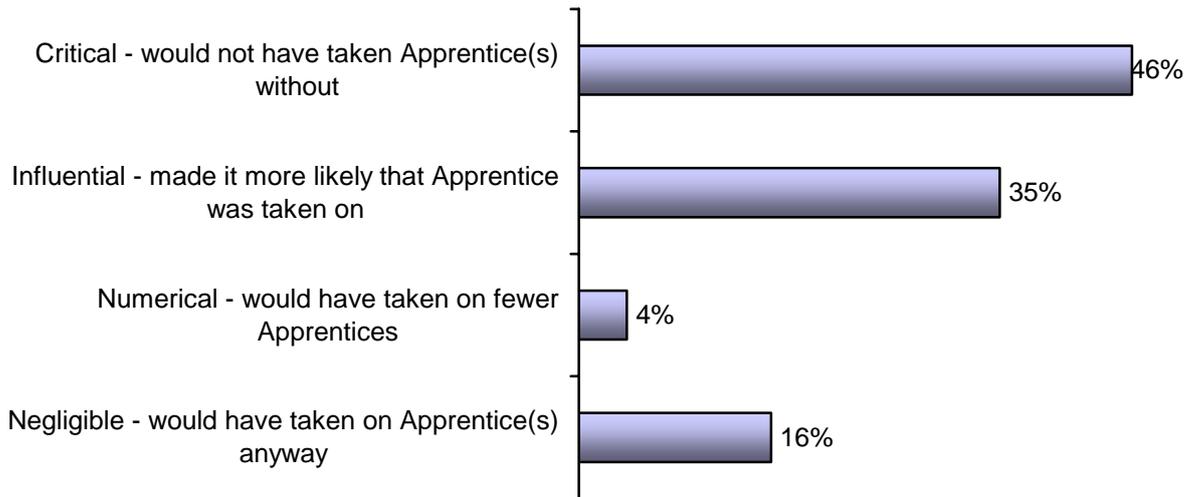
Base: 101 employers

Notes: Multiple response, respondents could give more than one answer so percentages add to more than 100%; responses were unprompted

2.93 It can be seen that participation was motivated by a mix of business reasons (amongst which cost saving was the strongest), by altruistic interests (helping young people), and external influences.

2.94 When asked directly about the influence of the wage subsidy on the decision to take on Young Recruits Apprentice(s), descriptions of impact were:

Figure 8: Impact of the Young Recruits grant



Source: Employer survey
Base: 101 employers

2.95 It is perhaps both surprising and disappointing that some employers who had asserted that they would not have recruited their Young Recruits Apprentices without the subsidy should subsequently recant in the survey. Despite this, however, it is clear that the subsidy exerted considerable leverage on the recruitment decisions of *most* employers.

Inducing more places for young Apprentices

2.96 The Young Recruits wage subsidy to employers was not accompanied by an increase in providers' contracted-for numbers of standard Apprenticeship places. It, therefore, had two potential effects. Firstly, simply to make it possible for providers to place young Apprentices, not already established in the workforce, with employers who would not have taken them on without the subsidy. The analysis above shows that this effect was very significant.

2.97 Secondly, since the total number of contracted-for places was not increased, there may implicitly have been a displacement effect, with

a shift from 'up-skilling' Apprenticeships for those already in established jobs, some of whom were aged 25 or over, to the 'new' Apprentices who were not employed (or not for more than 20 weeks with the employer hosting the Apprenticeship) who were supported by the Young Recruits Programme.

2.98 The extent to which this latter effect occurred is somewhat ambiguous:

- Providers interviewed during the evaluation took the view that the subsidy's main effect was to ensure that they could generate Apprenticeship places which they would otherwise have struggled to generate. They believed that there was little displacement of other Apprenticeships – those for people established in the workplace, including those aged 25 or over. Essentially, providers asserted that Young Recruits funding was a 'sales' tool inducing employers to create Apprenticeship opportunities without which providers would have found it more difficult to fulfil their contracted-for numbers and not a programme which fundamentally altered the distribution of Apprenticeships.
- On the other hand, 32% of employers in the survey said that if the subsidy had not been available, they would have taken on an older Apprentice instead – implying (to the extent that this hypothetical behaviour had been realised) that there was a displacement effect.
- And, as noted earlier, the age profile of 16-24 Young Recruits Apprentices identified in the employer survey appears to be younger than that of 16-24 Apprentices generally – perhaps implying that Young Recruits, in drawing particularly on those not in employment or in employment for less than 20 weeks, did, in fact, displace some 'standard' Apprenticeships for older members, perhaps more likely to be established employees, of the 16-24 years cohort.

Key messages

2.99 Key messages for the evaluation are:

- The Young Recruits programme attracted significant numbers of employers who were new to Apprenticeship, including many small ones. Although this is not a guarantee that Young Recruits

Apprenticeships in these cases were additional, it perhaps reinforces that likelihood.

- When asked directly, 84% of employers surveyed said that the Young Recruits wage subsidy was wholly responsible for generating placement opportunities or was an influence on their generation.
- The extent to which the Young Recruits Programme, in generating these places for Apprentices not yet established in employment, displaced other Apprenticeships which would have been taken up by those in established jobs is not wholly clear (the employer survey data detecting some evidence of this effect but interviews with providers suggesting this was not a major effect).

3 Conclusions and Recommendations

3.1 The Young Recruits programme has a number of strengths:

- It is a clear programme with straightforward eligibility rules which make it easy to present to employers.
- It operates in response to the pressing social problem of increased youth unemployment as a consequence of recession. As such, it has created opportunities for a group of young people mostly with few or modest qualifications, and not in established employment. Without Young Recruits, some or many of these who entered Apprenticeships as a result of the programme may have become unemployed. Although participation in the programme reveals that these young people have at least reasonable capacity for learning and motivation to work (otherwise they would not have been accepted), there is a clear danger, which Young Recruits has averted, that if unemployed for a significant period, some might have become those (so-called 'core NEETs') whose non-participation in legitimate productive activity becomes a major long-term social cost. The extent to which this would have happened cannot be quantified but, clearly, if it happened in significant numbers of cases, the costs to society (noted in our introduction) would greatly outweigh the modest Young Recruits subsidy.
- The programme clearly had high additionality in the sense that, according to providers and employers themselves, most employers would not have taken on their Apprentices (or as many) without the wage subsidy it offers.
- Evaluation evidence suggests that the level of subsidy was about right. A lower level would still have attracted some employers but, for a modest saving, would have delayed the programme's impacts. A higher level would have increased the programme's attractiveness to employers, but within a fixed budget, would have reduced the number of places. There is no significant dissatisfaction amongst employers with the quarterly staging of the grant.
- The programme's completion and post-programme employment rates cannot be asserted since most Apprentices were still on the programme at the time of this evaluation's employer survey and

because LLWR identification of Young Recruits Apprentices has not been complete. However, if employer predictions are correct, completion rates will be comparable with those of standard Apprenticeships and subsequent employment will be frequent.

- Employers were able to select Apprentices who were at least adequate without undue difficulty. They express a high degree of satisfaction with their recruits' quality and performance and consider them to be at least equivalent to standard Apprentices (where they are in a position to judge). There is no evidence, as might hypothetically have been the case, that employers lowered their standards under the influence of the Young Recruits grant (and providers confirm that Young Recruits are not different in any respect from 'standard' Apprentices).
- Employers are generally satisfied with the off-site training element of Young Recruits Apprenticeships and with the programme as a whole.
- Apprentices, too, were broadly very satisfied with their Apprenticeships, reporting positive experiences and expecting successful outcomes in terms of qualifications and career benefits.
- The programme engaged a significant proportion of employers, many of them small, who had not previously or not recently had Apprentices. Whilst this was not an objective of programme design, it supports the view, as above, that most Young Recruits Apprenticeships were additional and would not have been established without the Young Recruits programme being in place. It is also encouraging in that the base of employers with Apprenticeship experience, with the potential for further placements in future, has been expanded.
- Related to this, a substantial majority of employers reported that they had become more favourable to the recruitment of young people (and some had already undertaken such recruitment).

3.2 The programme's weaknesses were few, and mostly concerned with administration:

- There was an initial misjudgement as to the level of marketing which would be needed to recruit employers.

- There were one or two initial errors in presentation of the programme – a faulty claim form giving employers inaccurate information on the number of pay slips they needed to present to trigger payments of subsidy; and, possibly, insufficient clarity in warning employers early in the programme that ‘cash in hand’ payments could not trigger payments.
- Under-resourcing of programme administration at points where there were relatively high in-flows of employer applications and claims for payment was reflected in the employer survey, particularly in relation to the timeliness of payments.
- The requirement for providers to flag Young Recruits Apprenticeships in the LLWR database was not widely adhered to, with the result that description of the programme’s structure and monitoring of its outcomes using LLWR, has been much inhibited.

3.3 Basically, thus, the Young Recruits programme, with a few minor administrative blemishes, has broadly achieved what it set out to do; that is, to provide (in two phases) 2,000 Apprenticeship places of good quality for young people who were not in, or not firmly established in, the workforce, which would not otherwise have been available.

3.4 On that basis, therefore, there is a case for the continuation of Young Recruits in present conditions of low economic growth and relatively high levels of unemployment amongst young people.

3.5 If Young Recruits should continue, then there are some obvious operational recommendations:

- The burden of paperwork associated with the programme needs to be made as light as possible, consistent with ensuring that the subsidy is not dishonestly or erroneously paid. Micro-businesses, particularly, should not have bureaucratic costs which are out of proportion with programme benefits.
- Accurate identification of Young Recruits Apprenticeships on LLWR should be enforced on providers to allow more effective programme monitoring.

- Administration of the programme should be resourced adequately to allow employer applications and claims for payment to be processed quickly.
- 3.6 However, the Young Recruits is just one programme within a much wider range of programmes designed to develop vocational skills for economic and social purposes. These include Apprenticeship more widely, the two new programmes (Traineeship, Adult Steps) for young people and adults designed to replace SkillBuild, Flexible Learning, Pathways to Apprenticeship, and learning activity in Wales but funded externally to Wales by the European Social Fund and the UK Department for Work and Pensions.
- 3.7 A number of strategic considerations apply across this range of interventions and, therefore, apply to the Young Recruits programme. It is beyond the scope of this evaluation to make recommendations in respect of these since they involve much broader policy and budgeting decisions by the Welsh Government. However, the issues which underlie those decisions and their significance to Young Recruits can be identified.
- 3.8 First, the range of skills support briefly identified above clearly needs to be as coherent as possible. The focus of the various strands needs to be carefully considered, and adjusted if necessary, so that, as far as possible, each has its own function and is not competitive with others, and so that there are known and intended linkages between elements. Essentially, whilst Young Recruits has, as above, achieved its immediate objectives, its continuation would ideally be accompanied by a more explicit statement of the nature of the intended relationship of Young Recruits with Traineeship (the new replacement for SkillBuild for young people), with Pathways to Apprenticeship, and with Apprenticeship in general.
- 3.9 Second, it would, of course, be desirable to have greater certainty about the future lifespan of programmes, including Young Recruits should it continue, so that a greater sense of stability would accrue to the skills support landscape.
- 3.10 Third, with more explicit visualisation of the focus and inter-relationship of the different strands of work based learning, and greater stability, marketing of Young Recruits (and of other strands) to employers and to the main intermediaries in delivery (such as providers and Careers Wales) would be able to be more strategic –

not a matter of ‘flyers’ on single elements but a ‘map’ of what is available to whom.

- 3.11 Fourth, in developing work based learning in Wales, there needs to be greater clarity as to the intended degree of focus of different elements on the different groups which are in, or seeking to enter, the labour market. Young Recruits, for example, had a focus on creating Apprenticeships for 16-24 year olds not in employment or in established employment. Without an increase in the number of contracted training placements, it had an implicit intention to displace ‘upskilling’ Apprenticeships for those already in established employment, both in the 16-24 year age group and older. Such implicit effects may need to be considered more explicitly and refined. One way forward for Young Recruits, for example, would be to re-focus the Young Recruits subsidy as a permanent incentive attached to all Apprenticeships (up to a target number) for young people aged 16 or 17 in recognition of the particular difficulty of securing Apprenticeships for this group (subject, of course, to identification of a viable funding stream, not necessarily wholly from the Welsh Government budget). As noted earlier, the Wolf Report in England (see paragraph 2.5) has argued that such subsidy will be essential if numbers of Apprenticeships for 16 and 17 year olds are to grow.
- 3.12 Fifth, and finally, the evaluation of Young Recruits has noted that the programme had no objectives in respect of the sectors in which Young Recruits Apprenticeships were generated. This reflected the essentially social impetus of the programme’s creation – to generate productive opportunities for young people in a recession. However, with a longer term perspective, the question, of the extent to which subsidy for work based learning, including any continuing subsidy through a Young Recruits approach, can or should be structured to support sector priorities, is a significant one.