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Final Evaluation of the ReAct programme 2008-2014

[Executive] Summary

1. Background: the ReAct programme

- 1.1 The aim of the Redundancy Action Scheme (ReAct) is to prevent long-term unemployment by providing pathways to employment for those recently or about to become unemployed.
- 1.2 The basic mechanisms of the programme are: (1) a grant (up to £2,500 initially, reduced later to £1,500) paid to redundant workers to fund all or part of training they undertake to improve their chances of re-entering work; (2) Employer Recruitment Support (ERS) - a grant (of up to £2,080 and later £3,000) to employers to subsidise the wages of redundant workers they take on; (3) Employer Training Support (ETS) - a grant to employers (of up to £1,000) to fund up to 70% and later reduced to 50% of the cost of training redundant workers whom they recruit (4) support to remove barriers to training (unlimited initially and later up to £200 (help with childcare up to £2,600)).
- 1.3 In delivering the programme, the Welsh Government's ReAct management team was assisted by several partners. Careers Wales, the national careers guidance service for Wales, acted as a point of entry to the programme for individuals and as an initial source of advice on the types of training which were likely to offer the best chance of finding new employment and on suitable training providers. ReAct worked with Jobcentre Plus to provide a comprehensive support programme for redundant workers - ReAct support complementing the services and products offered by Jobcentre Plus. ReAct also worked with Trade Unions during large-scale redundancies to ensure all workers were made aware of the available support and with Sector Skills Councils to ensure programme design and delivery met industry needs.
- 1.4 ReAct was delivered across Wales. It was partly funded by ESF and contributed to ESF funding priorities for Convergence areas (Priority 2, Theme 1: 'Increasing Employment and Tackling Economic Inactivity') and for Competitiveness areas (Priority 1: Increasing Employment and Tackling Economic Inactivity'). This evaluation focuses on delivery during the 2007-2013 ESF Programme Period.

2. Methodology

2.1 The inputs to the final evaluation of ReAct were:

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

3. Key findings

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

Targets and outputs

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

3.3 A fundamental point is made that the programmes original 'targets' were somewhat arbitrary because the numbers and demographic profile of people who would become redundant and would seek ReAct support could not be predicted in advance. However, if the numbers and distributions of participants which were originally approved in 2008 are considered as targets, then:

- The programme greatly exceeded those targets in volume terms (and was close to achieving final forecasted figures).

- But initial expectations for the distribution of participation across socio-demographic groups were not met and this largely continued to the end of the programme.
- In financial terms, ReAct operated within its approved budget (£76m).

Impact on redundant individuals

- 3.4 The evaluation observed a wide range of benefits for individuals in terms of qualifications and ‘hard’ and ‘soft’ skills gained from the programme and of their likelihood of returning to work. Attitudinal and motivational gains were common, alongside improved confidence and high levels of satisfaction. Short courses and vocationally-specific training were most valued.
- 3.5 Workers recruited with ERS were most often playing responsible roles in their employers’ businesses. A high proportion of these participants achieved employment. There are indicators that the sustainability of that employment is not dissimilar from the level sustained in Welsh employment generally.

Impact on employers

- 3.6 Assistance with workers’ wages was reported as a considerable benefit. Employers reported a wide range of benefits for employers in terms of gaining motivated and skilled workers which brought benefits to the business such as increased capacity and efficiency.
- 3.7 A majority of employers reported that ETS made them more likely to subsequently invest in training as a result of their involvement with ReAct.

WEFO cross-cutting themes

- 3.8 The evaluation shows that targets for the inclusion of particular socio-demographic groups were frequently not met (but, as above, this is mainly a demand effect, not a failure of policy or procedure).
- 3.9 There has been widespread effort by ReAct managers to promote the improvement or establishment of employer policies in respect of Environmental Sustainability and Equal Opportunities. This included much attention to raising employer awareness of the importance of having systematic policies and procedures on these matters in the workplace. Database records and employer survey data suggest, however, that only small minorities introduced new policies or enhanced existing ones.

Welsh language

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

Partnership

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

Administration

- 3.12 A number of administrative issues were raised by government officials and ReAct’s delivery partners. These concerned:
- The high volume of data which ESF regulations require.
 - Form-filling errors by applicants.

- Repetitive paperwork requirements.
- The speed with which some applications were processed.

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

Best practice

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

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

Cost benefit analysis

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

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

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

4. Recommendations

4.1 Recommendations made in the mid-term evaluation report have been acted upon, or, in some cases, proved not to be operable or were dismissed. Bearing in mind these constraints, recommendations comprise:

- Review administrative and date procedures and protocols to seek improvement in their consistency and greater simplicity wherever possible.
- Consider and implement evaluation methodologies which clearly establish impacts.
- Continue to explore and then use flexibilities within the mode of operation to maximise the programme’s ability to achieve specific objectives and to increase the programme’s additionality.
- Strengthen capacity to influence employer approaches to equal opportunities and environmental sustainability.

Report Authors: BMG Research



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Available at: <http://gov.wales/statistics-and-research/evaluation-redundancy-action-programme/?lang=en>

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

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