

Dadansoddi ar gyfer Polisi



Analysis for Policy



Llywodraeth Cymru
Welsh Government

Social Research Number: 8/2023

Publication Date: 07/02/2023

Evaluation of Parents, Childcare and Employment (PaCE)

Impact, Counterfactual and Value for Money Evaluation Report

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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Evaluation of Parents, Childcare and Employment (PaCE)

Impact, Counterfactual and Value for Money Evaluation Report

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

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Glossary

Acronym/Key word	Definition
APS	Annual Population Survey
BOCs	Better Off Calculations
CACHE	Council for Awards in Care, Health and Education
CEA	Cost Effectiveness Analysis
CQFW	Credit and Qualification Framework Wales
CV	Curriculum Vitae
DBS	Disclosure and Barring Service
DWP	Department for Work and Pensions
ESF	European Social Fund
EW	East Wales
FSF	Flexible Support Fund
GB	Great Britain
JCP	Job Centre Plus
LFS	Labour Force Survey
LLFS	Local Labour Force Survey
NEET	Not in Employment, Education or Training
PaCE	Parents, Childcare and Employment
P1	Priority 1
P3	Priority 3
UC	Universal Credit
WWV	West Wales and the Valleys

1. Introduction

- 1.1 In January 2018, the Welsh Government appointed OB3 Research, Dateb, People and Work and the Wales Institute of Social and Economic Research to undertake an evaluation of its Parents, Childcare and Employment (PaCE) programme, an active labour market intervention supported by the European Social Fund (ESF)¹.
- 1.2 PaCE was launched in 2015 and an initial evaluation report, published in December 2016², set out the context for the programme, the Theory of Change underpinning PaCE and discussed early stage findings surrounding programme processes and participants' experiences of PaCE.
- 1.3 A Process and Outputs Evaluation report was published in December 2018³. This report considered the way the programme had been structured, discussed the profile of participants engaged (including the barriers to work they faced), described participants' journeys through PaCE and considered the programme's emerging outcomes at that time.
- 1.4 An Experience and Outcomes Evaluation report was published in March 2020⁴, looking in greater depth at participants' experiences of PaCE and the differences made to them by taking part in the programme. The report also highlighted lessons to inform future delivery and practice.
- 1.5 This report is intended to consider the impact of PaCE, taking account of the counterfactual (what would have happened to individuals had they not participated in PaCE), and to provide an assessment of the value for money

¹ PaCE is funded under the 2014-20 European Social Fund (ESF) Programmes for East Wales and West Wales and the Valleys, under two separate priorities:

- Priority Axis 1: 'tackling poverty through sustainable employment'. More precisely, PaCE seeks to address Specific Objective 1.1 within the East Wales Programme and Specific Objective 1.2 within the West Wales and the Valleys Programme, both of which aim 'to increase the employability of economically inactive and long-term unemployed people aged 25 and over who have complex barriers to employment'
- Priority 3: 'youth employment' in the East Wales Programme and 'youth employment and attainment' in the West Wales and the Valleys Programme. More specifically, PaCE seeks to address Specific Objective 3.1 in both programmes, which aims 'to reduce the number of 16-24 year olds who are not in employment, education or training (NEET)'.

² [Evaluation of Parents, Childcare and Employment \(PaCE\): process evaluation](#)

³ [Evaluation of Parents, Childcare and Employment \(PaCE\): process and outputs evaluation](#)

⁴ [Evaluation of Parent, Childcare and Employment \(PaCE\): experiences and outcomes](#)

which PaCE represents, relative to other similar interventions. The specific aims of this phase of the programme of evaluation are to:

- assess the extent to which PaCE has met its targets and achieved its aims
- identify the areas where PaCE has been most and least successful
- provide an insight into the level of additionality provided by PaCE and deadweight attached to the programme
- report on the costs attached to PaCE and comment on the value for money which the programme represents.

1.6 A final summative evaluation report is also planned for publication.

Method

1.7 This phase of the evaluation programme (which was undertaken between May 2021 and March 2022) encompassed nine main elements of work:

- conducting second follow-up telephone interviews with 20 PaCE participants first interviewed face to face in 2018 and then re-interviewed by telephone in 2019⁵ ⁶: the purpose of these follow-on interviews was to establish how their situations had developed over the intervening period
- undertaking follow-up telephone interviews with 22 participants who had engaged with PaCE during 2018 and were first interviewed in 2019⁷, mostly face-to-face⁸
- analysing the findings of the fieldwork undertaken
- analysing the database of participants as updated in October 2021

⁵ These individuals had agreed in 2018 and 2019 that research team members could re-contact them directly for follow-up interviews.

⁶ In total, 83 individuals were interviewed in 2018, 45 of these were re-interviewed in 2019 and 20 were then interviewed again in 2021.

⁷ In total, 44 individuals were interviewed for the first time in 2019 and 22 of these were re-interviewed in 2021.

⁸ These individuals had agreed in 2019 that research team members could re-contact them directly for follow-up interviews.

- analysing Annual Population Survey (APS) and Labour Force Survey (LFS) data to understand the employment trajectories of economically inactive individuals with dependent children in Wales and elsewhere in the United Kingdom (UK), in order to provide benchmarks against which to compare the transitions into work of PaCE participants
- analysing the PaCE programme's financial and management information to assess the cost per participant and per outcome
- reviewing evaluation reports relating to other similar interventions to benchmark cost effectiveness indicators
- preparing and peer reviewing this Impact, Counterfactual and Value for Money Evaluation report.

Strengths and limitations of the approach taken in addressing the aims of this element of the evaluation

- 1.8 This phase of the evaluation was undertaken some 15-22 months after the start of the COVID-19 pandemic in March 2020. During the pandemic, the delivery of the PaCE programme was severely hampered, with advisers partially re-deployed for a period to deliver front line Department for Work and Pensions (DWP) services. Whilst participants were able to access advisers remotely, they were not able to meet face-to-face and participants' ability to engage in training or volunteering activities was severely curtailed. The closure or partial closure of schools and nurseries impeded parents' access to childcare and successive 'lockdowns' disrupted the labour market, with sectors which had previously represented important progression routes for PaCE participants being particularly badly affected, not least retail and leisure and hospitality.
- 1.9 Our analysis of the participant database was undertaken during the autumn of 2021, some eighteen months after the start of the pandemic but within a far shorter time of the intermittent lifting and re-application of COVID-19 related restrictions. Whilst some insight is offered as to the effects of the pandemic upon the programme's engagements and outcomes, it is too soon to comment with any degree of certainty upon those effects.

- 1.10 In this report, we also seek to provide some insight into the effects of the pandemic upon participants. However, this is based upon follow-up telephone interviews with a fairly limited number of former participants (n=42) and is unlikely to provide a comprehensive account of the ways in which individuals were affected by a reduced service or an unprecedented labour market situation.
- 1.11 This evaluation involved a longitudinal element whereby follow-up interviews were conducted with former participants previously interviewed in 2018 (wave 1) and 2019 (waves 1 and 2). Whilst a random sample of participants was selected for interview, an element of self-selection bias may have led to a positive skew to the findings of our fieldwork. Those who agreed to be re-interviewed in 2021 tended to be individuals who had a positive experience of PaCE or who gained most from the programme, rather than individuals who disengaged from the programme early or who did not gain much from participation.
- 1.12 It had been intended that this phase of the evaluation would also draw upon the findings of the ESF Participant Survey relating specifically to PaCE participants. In the event, it was not possible to access these data within the timescale for the evaluation and this strand of work was not, therefore, carried out.
- 1.13 Consideration is given to the programme's effectiveness in engaging and supporting individuals with protected characteristics. Our analysis of the participant database points to areas of strong and weaker performance across different groups. However, the numbers of participants with particular protected characteristics (e.g., individuals from Black, Asian and Minority Ethnic Communities and disabled people) were limited and participants from ethnic minority communities proved more challenging to engage in our qualitative fieldwork. This means that it has not been possible to assess with certainty how and why the experiences of certain types of individuals might have differed from those of PaCE participants in general.
- 1.14 The database of participants, whilst comprehensive in many respects, lacks information about certain characteristics that are important to understanding

the employability of participants. For example, it does not provide details of participants' previous work histories, or the duration of any training or volunteering undertaken. More fundamentally, the database lacks basic information on the number of dependent children participants have or the age of the youngest dependent child, which are key factors associated with participation in employment, particularly among women. Such omissions limit the potential for analysis to account for the effect of different key characteristics upon the likelihood of participants achieving positive outcomes.

- 1.15 It should be noted in this regard that the participant database was primarily designed to capture information required by WEFO, albeit that some additional data not required by WEFO are captured for programme monitoring and management purposes e.g., the benefit status of participants upon joining, the duration for which they had been out of work and the sectors into which those progressing into work went. Other data about participants are captured in participant portfolios and in separate records (e.g., spreadsheets detailing participants accessing financial support for childcare), but it would not have been practicable within the resources available for the research team to review these sources in order to build a more comprehensive picture than that provided by the participant database.
- 1.16 The PaCE programme has been extended, with an expectation that participants will now be engaged up to March 2023 and outcomes achieved up to October 2023. This evaluation is being undertaken at a point when the programme still has over a year to run and it cannot, therefore, comment with certainty upon the final numbers of participants engaged, outcomes achieved or upon the cost effectiveness of the programme.
- 1.17 In commenting upon the value for money offered by PaCE, consideration was given to the cost of key output and outcome indicators of other employability interventions. However, few earlier evaluations include information that allows comparisons to be made. It had been envisaged that evaluations of a number

of more recent employability programmes⁹ would be available by now, but these have yet to be published at this stage.

Structure of this report

1.18 This report is presented in six chapters as follows:

- chapter one: this introduction to the report
- chapter two: programme engagements (including in relation to those with protected characteristics) and support received
- chapter three: programme outcomes
- chapter four: counterfactual impact assessment
- chapter five: value for money
- chapter six: conclusions.

⁹ For example, Bridges to Work, Workways+, J2W South East, OPUS and Achieving Change through Employment

2. Programme Engagements and Support Received

Introduction

2.1 In this chapter we consider the extent to which PaCE has engaged the participants intended and discuss performance in relation to particular participant groups. This chapter is presented in six sections as follows:

- performance against headline engagement targets
- engagements by area
- engagements by length of time out of work
- engagements by target participant groups/protected characteristics
- effect of the COVID-19 pandemic upon engagements
- childcare support received by participants engaged.

Performance against headline engagement targets

2.2 Figure 2.1 shows the numbers of Priority 1¹⁰ and Priority 3¹¹ participants engaging in PaCE since the programme's inception. Overall engagements stood at 6,535, some 20 per cent below the level intended, with engagements reducing sharply in the face of the COVID-19 pandemic (see item 2.19 below).

2.3 Engagements across both Priority 1 and Priority 3 were considerably stronger in West Wales and the Valleys than they were in East Wales, with numbers falling some six per cent below expectations in West Wales and the Valleys compared to 54 per cent in East Wales. Overall, the engagement of participants aged 25 and over (Priority 1), relative to targets, was weaker than that of participants aged 16-24 (Priority 3), though it should be noted that the targets for Priority 1 were considerably higher than those for Priority 3.

¹⁰ Those eligible for support under Priority 1 are economically inactive individuals aged 25 and above for whom childcare responsibilities are a barrier to employment

¹¹ Those eligible for support under Priority 3 are 16-24 year olds not in employment, education or training, for whom childcare responsibilities are a barrier to employment

Figure 2.1: Performance to date: engagements¹²



Source: Database of participants as at 31 October 2021

Engagements by local authority area

- 2.4 The numbers of participants engaged varies considerably from one local authority area to another. Earlier evaluation reports suggested that this was partly down to the point at which the programme was launched in different areas and also to other factors such as the quality of relationships between PaCE advisers and JCP work coaches, the degree of PaCE’s integration with wider family support infrastructures, the level of outreach work undertaken and adviser numbers and turnover. The effects of the point at which the programme was launched upon engagement numbers in different areas is likely to have diminished over time, rendering these other factors more important determinants of engagement levels by now. Another possible cause of variation between local authority areas might be differences in the availability of other employability programmes from one area to another.
- 2.5 Engagements have been highest in Carmarthenshire¹³, Rhondda Cynon Taf, Pembrokeshire¹⁴, Torfaen and Bridgend and weakest in Caerphilly, Newport

¹² The targets shown are those currently under discussions with WEFO. Programme targets were revised in October 2016 when PaCE was extended to March 2020 and again in December 2021, when the programme was further extended to October 2023. PaCE targets were agreed for quarters and September 2021 is the nearest target to October 2021, the date of the actual figures.

¹³ Which was among the three local authority areas in which the programme was first launched

and Powys¹⁵. Cumulative engagements, relative to the size of the economically inactive population in each local authority area¹⁶, continues to be highest in Ceredigion¹⁷ and Pembrokeshire. Engagement numbers (relative to the economically inactive population) have also been strong in Torfaen, Monmouthshire and Carmarthenshire. Engagements have been at their weakest in relative terms in Caerphilly, Cardiff, Swansea and Newport.

Engagements by length of time out of work

- 2.6 Figure 2.2 shows the proportion of PaCE participants engaged according to the length of time for which they had been out of work prior to joining the programme. Just over a quarter (26 per cent) of participants had been out of work for less than a year and over two fifths (42 per cent) had been out of work for fewer than two years. By the same token, three fifths (60 per cent) of participants have been out of work for more than two years upon joining PaCE. Only 28 per cent of participants had been out of work for five years or more, possibly reflecting the fact that lone parents become ineligible for Income Support (and latterly, Universal Credit) once their youngest child turns five.
- 2.7 Priority 3 participants had generally been out for work for less time than Priority 1 participants, with only 16 percent having been out of work for more than five years compared to approximately 30 percent Priority 1 participants. This might be expected, given the relative youth of Priority 3 participants, and shorter periods out of work among Priority 3 participants cannot necessarily be taken to infer that these individuals are 'closer' to the labour market.

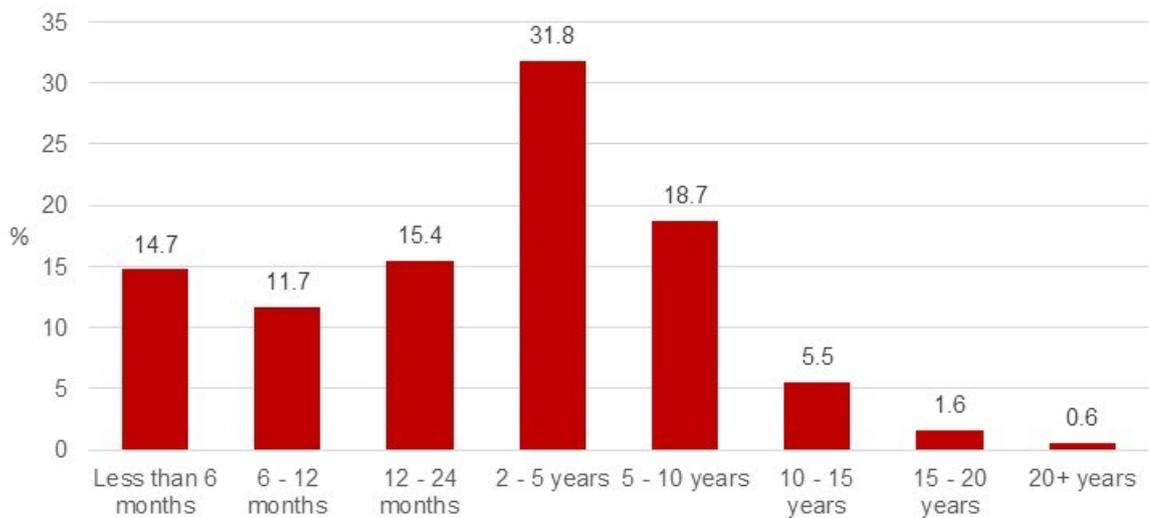
¹⁴ Also among the three local authority areas in which the programme was first launched

¹⁵ Account is not taken here of Blaenau Gwent or Merthyr Tydfil, which are only served by PaCE at the periphery (see Process Evaluation Report)

¹⁶ Based on June 2020 Annual Population Survey/Labour Force Survey findings, though it should be noted that economically inactive parents with dependents represent only part of the economically inactive population of working age and can, thus, only provide a very broad indication of the potential target population for PaCE

¹⁷ Also among the three local authority areas in which the programme was first launched

Figure 2.2: Engagements by length of time out of work



Source: Database of participants as at 31 October 2021

Engagements by target participant group

2.8 Beyond the two main groups that PaCE aims to support (people aged 25 and over who are economically inactive and young people who are not in employment, education or training [NEET]), no specific engagement targets were set for particular sub-groups of individuals disadvantaged in the labour market. Here, however, we provide commentary on participation by different sub-groups, including those with protected characteristics. More detail is provided at Annex 2.

Gender

2.9 Overall, women made up 95 per cent of PaCE participants, with 94 per cent of Priority 1 participants being female compared to 98 per cent of Priority 3 ones. Females represented a slightly higher proportion of participants in East Wales than they did in West Wales and the Valleys, at 96 compared to 94 per cent. This gender imbalance partly reflects a higher economic inactivity rate in general among women (at 28 per cent) than men (at 19 per cent)¹⁸ and the fact that a lower proportion of women with dependent children work (at 76 per cent), compared with men with dependent children (at 92 per cent)¹⁹.

¹⁸ Welsh Government, Statistical Bulletin, [Labour Market Overview](#) – January 2022, p.26

¹⁹ [Office for National Statistics: Families and the labour market](#), Wales: 2021

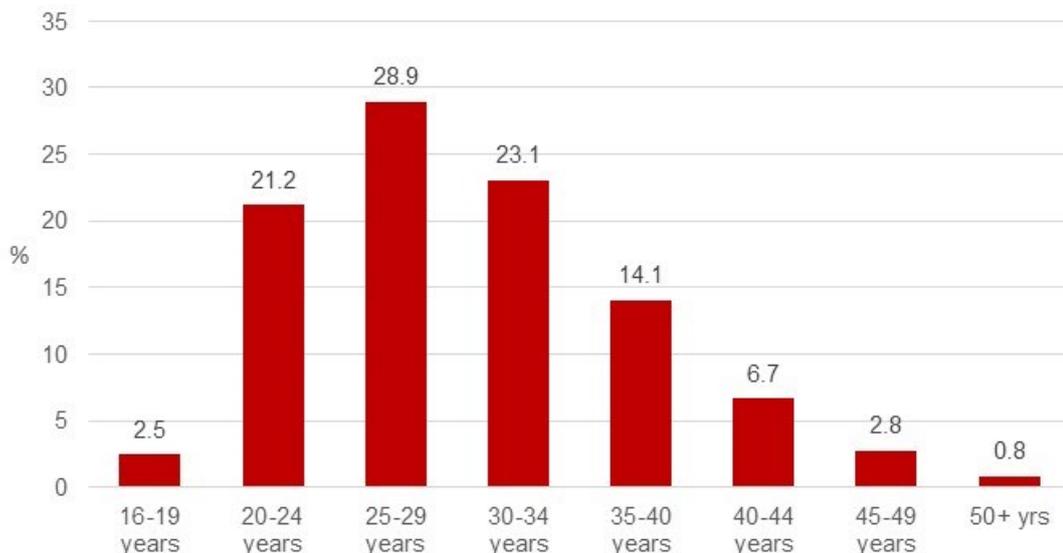
2.10 Whilst numbers were few across the board, men represented a slightly higher proportion of participants in Pembrokeshire, Carmarthenshire, Denbighshire, Conwy, Rhondda Cynon Taf and Swansea.

Age

2.11 Almost three quarters (73 per cent) of all participants were aged 20-34, with an overwhelming majority of Priority 3 participants in both West Wales and the Valleys and East Wales falling into the 20-24 age group. Figure 2.3 shows the distribution of PaCE participants across different age ranges. Priority 1 participants in West Wales and the Valleys had a slightly younger age profile than their counterparts in East Wales, though the difference was minimal. In contrast, Priority 3 participants in East Wales had a slightly younger age profile than those in West Wales and the Valleys.

2.12 This profile suggests that PaCE participants are slightly younger than parents in general across England and Wales. The average age of mothers in England and Wales was almost 30.7 years in 2019 and 14 per cent of all births were to mothers aged 20-24 years, 27 per cent to mothers aged 25-29 and 33 per cent to mothers aged 30-34²⁰.

Figure 2.3: Age distribution of participants



Source: Database of participants as at 31 October 2021

²⁰ Source: Office for National Statistics [Live births in England and Wales by characteristics of mother and father: 2019](#)

Ethnicity

- 2.13 Overall, three per cent of participants were from ethnic minority communities, which is somewhat lower than the five per cent of the Welsh population from an ethnic minority²¹. The proportion of participants from an ethnic minority community was higher in East Wales (at six per cent) than in West Wales and the Valleys (at two per cent), though even in East Wales, the proportion of ethnic minority participants was lower than the 9 per cent which make up the region's population as a whole.
- 2.14 Whilst participants from ethnic minority communities were underrepresented in most areas, Cardiff was a notable exception, with 23 per cent of participants being drawn from ethnic minority communities, compared to some 16 per cent of the city's population²².
- 2.15 Individuals from ethnic minority communities made up a slightly higher proportion of Priority 1 than Priority 3 participants, at four compared to two per cent. This finding potentially reflects the increased rate of participation in post-compulsory education among ethnic minority young people, thereby contributing to lower rates of family formation among younger age groups.

Work limiting health condition or disability

- 2.16 Overall, some 13 per cent of participants had work limiting health conditions or disabilities, though this proportion was slightly higher among Priority 1 participants (at 15 per cent) than among Priority 3 participants (at 10 per cent), possibly reflecting the younger age profile of Priority 3 participants. These figures are estimated to be slightly lower than rates of ill-health among the wider population of economically inactive carers, which are 18 per cent and 14 per cent among those of comparable ages respectively (see Table 4.2). This lower incidence of work limiting health conditions among PaCE participants may be because those who engage with PaCE are less likely to suffer ill-health conditions that discourage them from seeking employment, or

²¹ [StatsWales: Ethnicity by year and ethnic group year ending 30 June 2021](#), derived from LFS/APS Surveys, updated 30 June 2021

²² Ibid

because those with such work limiting health conditions are referred to other employability programmes that specifically address this barrier.

- 2.17 There was no discernible difference in the proportions of people with work limiting health conditions or disabilities engaging with the programme following the outbreak of the COVID-19 pandemic. Given government advice that vulnerable people should ‘shield’ during the pandemic period, it is perhaps surprising that parents with work limiting health conditions or disabilities did not seek to delay their engagement with PaCE.

Single adult households

- 2.18 Some 82 per cent of participants lived in single adult households. This is above the expectation set out in the ESF business plans that 70 per cent of participants would be lone parents and is considerably higher than the 55 per cent of parents aged 16-24 who are NEET, and the 30 per cent of economically inactive parents aged 25 and above who live in single adult households (see Table 4.2). The proportion living in single adult households across both Priority 1 and Priority 3 was slightly higher in East Wales than West Wales and the Valleys.
- 2.19 Women made up 96 per cent of participants heading up single adult households. This is very similar to the gender composition of single parent households among the wider population of adults who represent the potential PaCE client base.

Qualification level

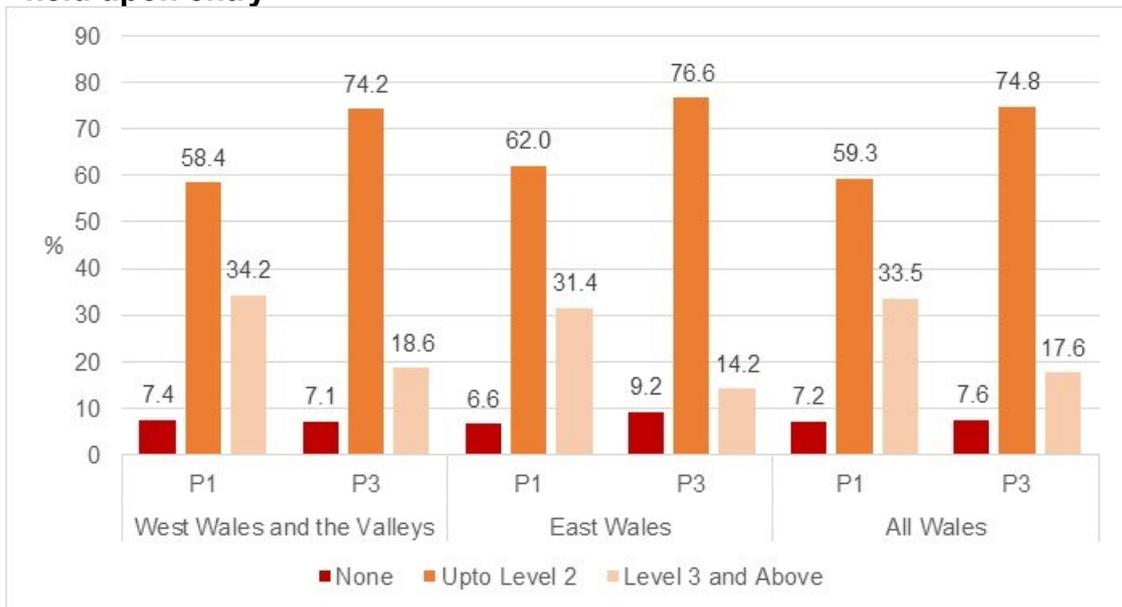
- 2.20 Figure 2.4 below shows the proportion of Priority 1 and Priority 3 participants holding qualifications above and up to level 2²³ upon entry onto PaCE. It shows that 66 per cent of Priority 1 participants and 83 per cent of Priority 3 participants held no qualifications above level 2 and would, therefore, be

²³ Level 2 qualifications are equivalent to four or five GCSEs at grades A*-C

deemed to have low skills according to the definition adopted for PaCE²⁴. This compares to 38 per cent of working age people in Wales²⁵.

2.21 By the same token, a higher proportion of Priority 1 participants (34 per cent) than Priority 3 participants (17 per cent) already held qualifications at or above level 3 upon joining PaCE. Across both priorities, a slightly greater proportion of participants in West Wales and the Valleys than in East Wales fell into this category. The lower levels of qualifications held by Priority 3 participants is likely to reflect the younger ages at which they first had children. On average, Priority 3 participants who contributed to our fieldwork had their first child at the age of 18, a time which for many is characterised by continuing participation in full time education and/or training. By contrast, the Priority 1 participants we interviewed were aged 25 on average by the time they had their first child.

Figure 2.4: Proportion of participants by highest level of qualification held upon entry



Source: Database of participants as at 31 October 2021

²⁴ The Operational Guidance states that 'a person with low skills would not have a qualification over Credit and Qualification Framework for Wales (CQFW) level 2', p.19

²⁵ Source: [Annual Population Survey; Highest qualification level of working age adults by region and local authority; December 2021 update](#)

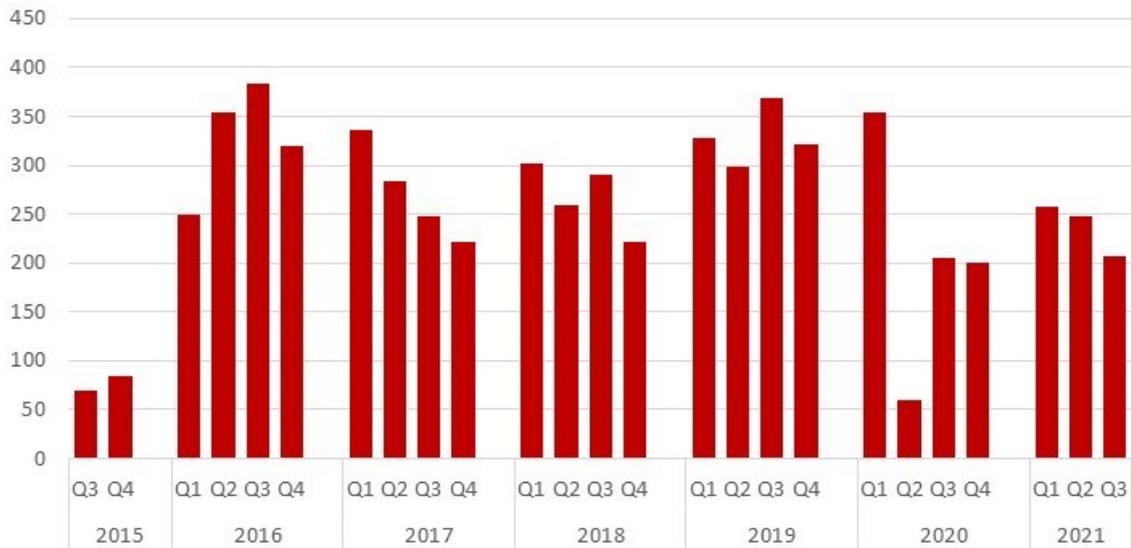
Welsh language

- 2.22 As was the case in 2018, 17 per cent of all those engaging with PaCE spoke Welsh, though this proportion ranges from 21 per cent across West Wales and the Valleys to six per cent in East Wales. At a more local level, the proportion of participants who speak Welsh rises as high as 71 per cent in Gwynedd and 68 per cent in the Isle of Anglesey and drops to two per cent in Newport. Overall, a greater proportion of participants aged 16-24 spoke Welsh (19 per cent, Priority 3) than did those aged 25 and over (17 per cent, Priority 1).
- 2.23 Of those that spoke Welsh, only 11 per cent were supported by their advisers to engage either fully or partially through the medium of Welsh. Whilst Welsh speaking participants to whom we spoke were generally content to have received the service in English, the fact that so little use was made of Welsh with Welsh speakers possibly suggests that too little emphasis is put upon using Welsh as a medium for service delivery and as an asset to be capitalised upon in looking for work. Having said this, however, a couple of those interviewed reported that their advisers had looked for courses to allow them to refresh or develop their limited Welsh language skills, recognising the value of such skills in finding work.

Effect of the COVID-19 pandemic upon engagements

- 2.24 The numbers of participants joining PaCE varies according to the time of year, with a pattern beginning to emerge by 2018 of engagement numbers being higher in the first and third quarters of the calendar year and slightly lower in the second and fourth. This reflects in part the end of the Christmas period and start of a new year (in the first quarter) and the start of the school year (in the third quarter). Engagements have typically been at their lowest in April and December, corresponding with the Easter and Christmas breaks.
- 2.25 Following an initial programme establishment period, engagement numbers settled at an average of some 300 a quarter. However, as shown in Figure 2.5, that number declined sharply in the second quarter of 2020, as COVID-19 related 'lockdown' restrictions were applied, only partially to recover over the following 18 months.

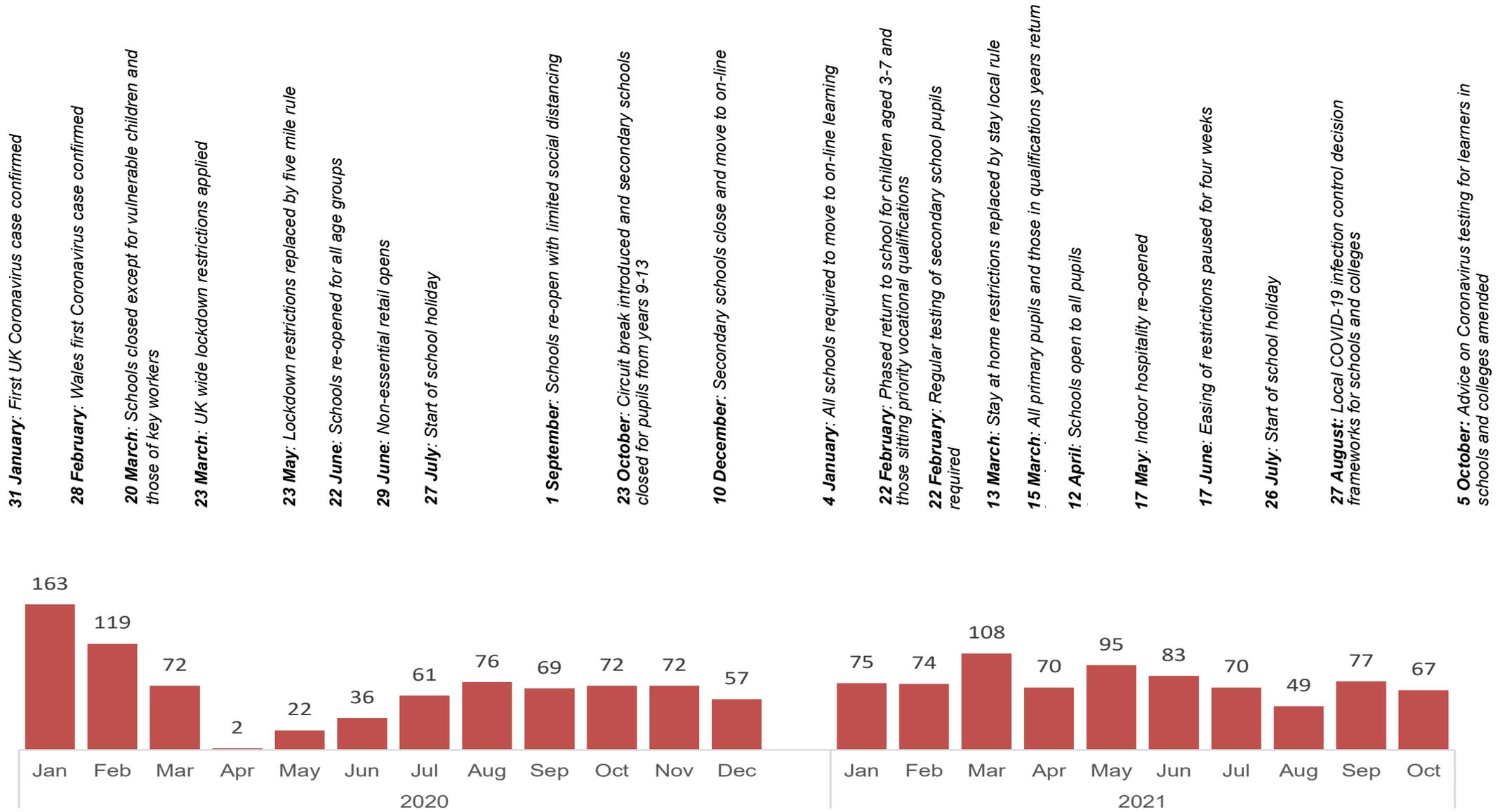
Figure 2.5: Engagements by quarter to 30 September 2021



Source: Database of participants as at 31 October 2021

- 2.26 Figure 2.6 shows a timeline of events over 2020 and 2021, during which period engagements remained substantially below the monthly average of 110 seen in 2019. As well as constraints emanating from successive ‘lockdowns’ and school/nursery closures or partial closures, PaCE advisers were partially redeployed during this period to work on mainstream DWP services, thus presenting an element of supply side constraint.
- 2.27 Had the pandemic not struck and assuming a similar level of engagements to the previous three years, it seems likely that around 520 more participants would have engaged with PaCE by October 2021.

Figure 2.6: Engagements by month during 2020 and 2021



Source: Database of participants 31 October 2021

2.28 Whilst the pandemic reduced the numbers engaging with PaCE, the proportion of participants remaining involved with the programme for more than 12 months increased, undoubtedly reflecting the reduced opportunities for progression in the wake of COVID-19.

Childcare support received by participants engaged

2.29 The provision of funded childcare is an important feature of PaCE, supporting participants to undertake training, allowing them to gain volunteering experience or assisting them to enter employment. Overall, some 19 per cent of participants received help with childcare costs through PaCE²⁶, though there are differences in the extent to which different groups of participants availed themselves of the support on offer (see Annex 2). For example:

- women were twice as likely to receive childcare support than men (at 19 per cent compared to 9 per cent)
- somewhat counterintuitively, lone parents were less likely to receive childcare support (at 17 per cent) than participants with a spouse or partner (at 24 per cent)
- older participants, specifically those over the age of 40, were less likely to receive childcare support, possibly owing something to their children being older and at school.

2.30 Those with higher levels of educational attainment upon joining PaCE were more likely to receive childcare support. Some 23 per cent of participants with qualifications at level 3 or above accessed childcare support, compared to 17 per cent of those with qualifications at or below level 2 and 15 per cent of those with no prior qualifications. Across both priorities, a higher proportion of participants in East Wales received childcare support than was the case in West Wales and the Valleys.

2.31 PaCE provides those making the transition into work with help to meet the costs of childcare until they receive their first pay cheque. Around a third of participants receiving childcare support did so as they moved into employment

²⁶ Participants may have availed themselves of support from other sources e.g. the Childcare Offer or tax credits

and there was a clear gradient in the provision of 'in-work' childcare support according to previous levels of educational attainment. Those with qualifications at level 3 or above were almost three times as likely to receive in-work childcare support than those with no qualifications upon joining PaCE. As will be discussed in the next chapter, this reflects the higher proportion of better qualified participants progressing into work, rather than suggesting inequity in the allocation of childcare support, however.

- 2.32 Participants who had been out of work for shorter periods were also more likely to benefit from childcare support. Again, this could reflect the increased likelihood of these participants finding work. Indeed, participants who had been out of work for less than a year were considerably more likely to receive 'in-work' childcare support than those who had been out of work for longer. The disproportionate take-up of childcare support by those who had been out of work for shorter periods might also owe something to the children of those who have been out of the labour market for longer, specifically 5 years or more, being older and, therefore, less likely to require childcare.
- 2.33 Some 60 per cent of participants who completed volunteering opportunities received support with childcare as did 47 per cent of those who achieved a qualification and 33 per cent of those who achieved some form of work related certification.
- 2.34 The take up of childcare support was adversely affected by the pandemic, with the proportion receiving support dropping from 21 per cent of participants prior to April 2020 to less than seven per cent between then and October 2021.
- 2.35 In the same vein, applications for training opportunities dropped sharply from April 2020 and only partly recovering gradually after that.

Chapter Summary

Overall, fewer people than anticipated have engaged with PaCE. Engagements were, however, considerably stronger in West Wales and the Valleys than in East Wales. The numbers of participants engaged also varies considerably from one local authority area to another, reflecting a number of factors such as the quality of relationships between PaCE advisers and JCP work coaches, the degree of PaCE's integration with wider family

support infrastructures, the level of outreach work undertaken and adviser numbers and turnover. Differences in the level of alternative employability provision available locally may also have played a part.

Whilst no engagement targets were set beyond those for people aged 25 and over and those aged 16-24:

- the overwhelming majority of participants have been women
- the majority of participants have been aged 20-34
- with the exception of Cardiff, a disproportionately low number of participants have been drawn from ethnic minority communities
- a slightly lower proportion of participants than the general population have had work limiting health conditions
- a large majority of participants have been drawn from single adult households
- a large majority of participants hold no qualifications above level 2
- Welsh speakers represent a greater proportion of participants in some areas than others.

Engagements with PaCE reduced sharply in the face of the COVID-19 pandemic and have only made a partial recovery since then. Factors affecting engagements included successive 'lockdowns', the closure and partial closure of schools and nurseries and the re-deployment of PaCE advisers at the height of the pandemic.

It is estimated that the pandemic led to about 520 fewer individuals engaging with PaCE, but also to an increase in the proportion of participants remaining involved with the programme for more than 12 months.

Around a fifth of participants received help to meet childcare costs, with around a third of those receiving 'in-work' childcare support as they made the transition into employment.

The take-up of childcare support and of training opportunities were adversely affected by the COVID-19 pandemic.

3. Programme Outcomes

Introduction

3.1 In this chapter we consider the difference made to participants by taking part in PaCE and discuss outcomes achieved by particular participant groups. This chapter is presented in six sections as follows:

- progression into employment or self-employment
- effect of the COVID-19 pandemic upon employment outcomes
- volunteering outcomes
- progression into education or training
- qualifications outcomes
- the wider effects of PaCE.

Progression into employment or self-employment

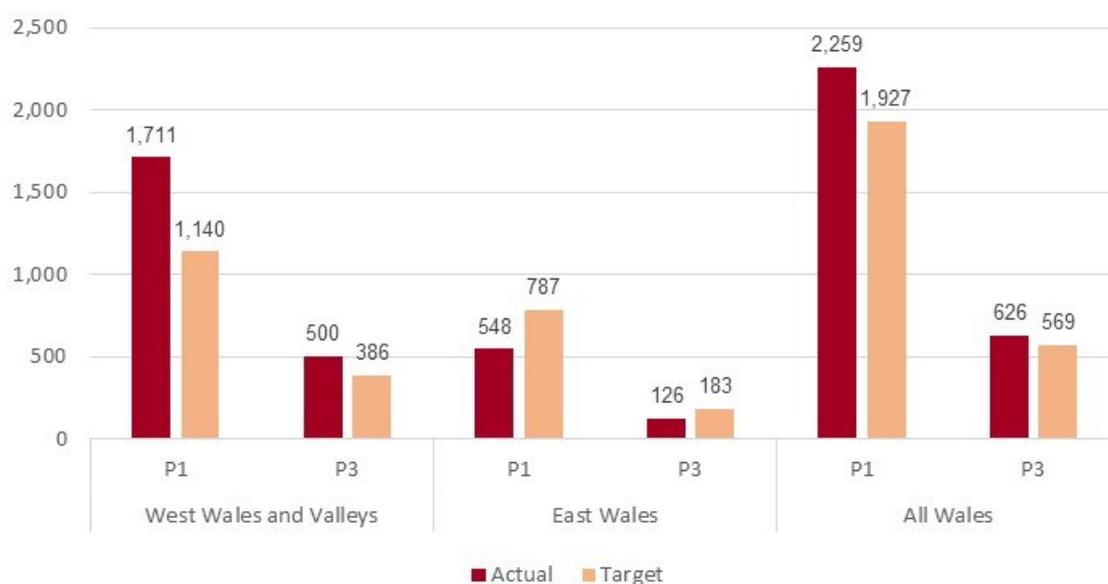
Performance against headline job outcome targets²⁷

3.2 A total of 2,885 PaCE participants had progressed into work by October 2021; 2,211 in West Wales and the Valleys and 674 in East Wales. This equates to 44 per cent of all participants engaged and exceeds the revised overall job outcome target of 36 per cent, which itself exceeds the original job outcome target of 20 per cent.

3.3 Figure 3.1 shows that job outcome performance exceeded revised targets in West Wales and the Valleys but fell below targets in East Wales. Performance in relation to participants aged 25 and over (Priority 1) was stronger than that for those aged 16-24 (Priority 3) across both regions.

²⁷ We report here upon participants progressing into jobs of at least 16 hours a week, in line with the targets set for the programme. Our previous reports have indicated, however, that some former participants progressed into jobs which involved working fewer than 16 hours a week. These are not included in the figures reported here.

Figure 3.1: Number of participants achieving job outcomes by priority



Source: Database of participants as at 31 October 2021

3.4 Table 3.1 shows that an even higher proportion of the participants interviewed during our fieldwork were in employment or self-employment (at 79 per cent), though there is likely to be an element of self-selection bias to the sample interviewed, possibly overstating the proportion of all PaCE participants progressing into work.

Table 3.1: Destination of participants interviewed in 2021

	Cohort 1	Cohort 2	Total	%
Employed	14	15	29	69%
Self employed	1	3	4	10%
In education/training	1		1	2%
Unemployed/economically inactive	4	4	8	19%
Total	20	22	42	100%

Job outcomes by local authority area

3.5 Table 3.2 shows that there were differences in the proportion of participants progressing into employment from one local authority area to another. It shows that job outcome performance is on track to meet or exceed the revised target (of 36 per cent overall) for Priority 1 in all but one local authority area, whilst performance is on track to meet or exceed the revised Priority 3

target in 14 areas. Only in one area are Priority 3 job outcomes below the original profile.

Table 3.2: Proportion of participants achieving job outcomes by area²⁸

	P1	P3
Bridgend	● 43%	● 40%
Caerphilly	● 36%	● 20%
Cardiff	● 36%	● 35%
Carmarthenshire	● 44%	● 41%
Ceredigion	● 48%	● 51%
Conwy	● 47%	● 41%
Denbighshire	● 51%	● 39%
Flintshire	● 43%	● 36%
Gwynedd	● 60%	● 53%
Isle of Anglesey	● 40%	● 39%
Monmouthshire	● 60%	● 54%
Neath Port Talbot	● 52%	● 52%
Newport	● 45%	● 32%
Pembrokeshire	● 26%	● 18%
Powys	● 45%	● 39%
Rhondda Cynon Taf	● 45%	● 41%
Swansea	● 41%	● 43%
Torfaen	● 57%	● 48%
Vale of Glamorgan	● 36%	● 23%
Wrexham	● 46%	● 34%

Source: Database of participants as at 31 October 2021

Job outcomes by length of time on programme

- 3.6 Four fifths (81 per cent) of the 2,885 participants progressing into jobs did so within a year of joining PaCE.
- 3.7 Figure 3.2 shows the proportion of participants achieving job outcomes within three-month time windows across Priority 1 and Priority 3. It shows a steady reduction in the proportion of participants progressing into work as they spend more time on the programme, albeit that almost a third of those who spend 19 months or more on the programme also progress into work. This suggests that the most employable participants require lower levels of support from PaCE,

²⁸ The Red, Amber Green (RAG) symbols shown indicate:

Red – job outcome performance below the 20 per cent job outcome target originally set for PaCE

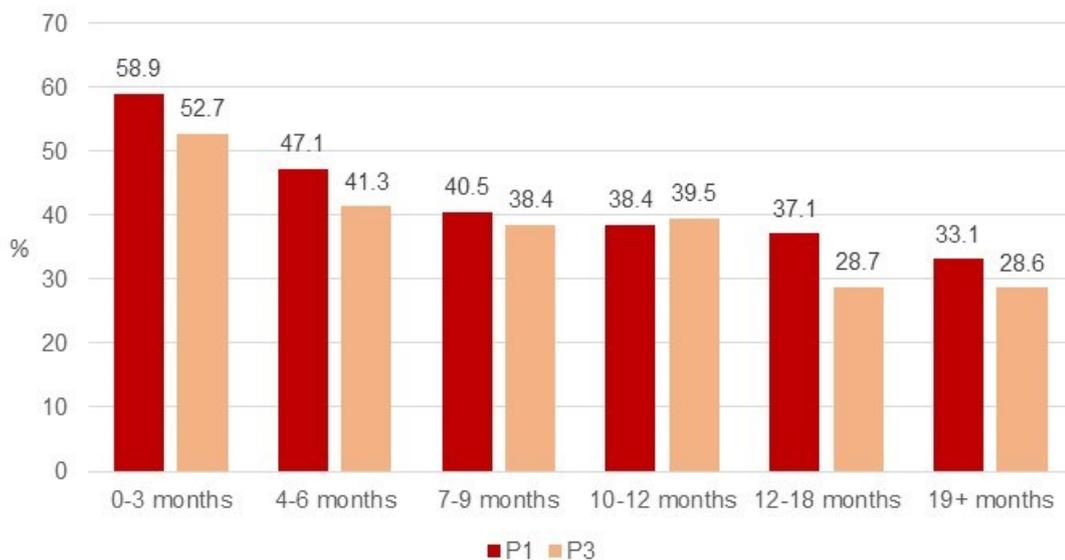
Amber – job outcome performance between 20 and the revised job outcome target of 36 per cent

Green – job outcome performance at or above the revised (current) job outcome target of 36 per cent

whilst those facing more substantial barriers to employment require help over a longer period.

3.8 It is notable, however, that the degree to which progression into work diminishes as participants spend more time on the programme was considerably lower by 2021 than it was when programme outcomes were first analysed in March 2018²⁹. This could be attributable to a rapid growth in demand for labour and the availability of a pool of relatively work-ready individuals as COVID-19 related restrictions were relaxed. However, it is possible that other factors were also at play, for example adviser experience in helping participants move into work, changes to benefits entitlement rules (including the introduction of Universal Credit (UC)) and the introduction of the Childcare Offer³⁰.

Figure 3.2: Proportion of participants achieving job outcomes within specific timeframes



Source: Database of participants as at 31 October 2021

Job outcomes by length of time out of work

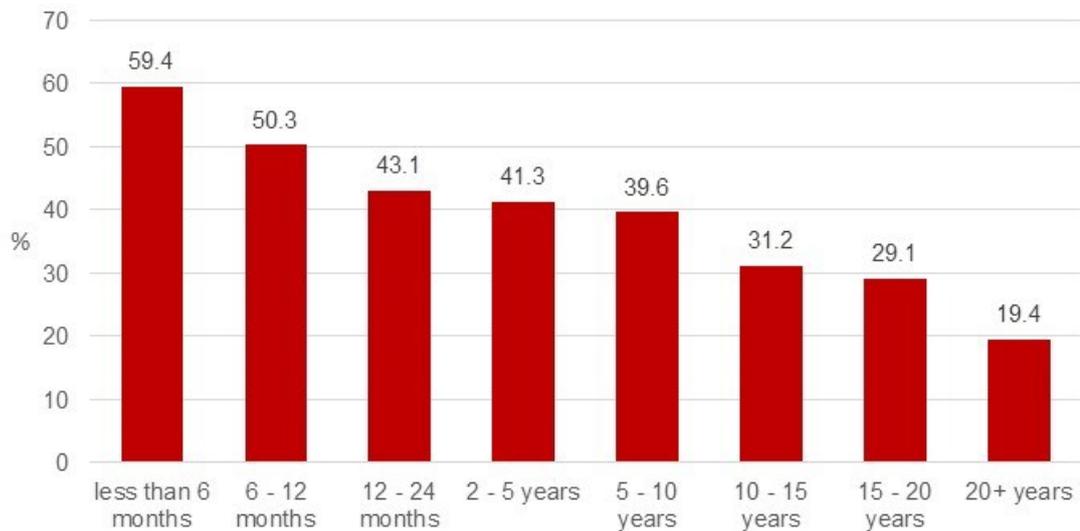
3.9 Progression into employment was also influenced by the length of time for which participants had been out of work prior to joining PaCE. Figure 3.3

²⁹ [Welsh Government \(2018\) Evaluation of Parents, Childcare and Employment \(PaCE\): Process and Outputs Evaluation Report](#), p.90

³⁰ The [Childcare Offer](#) provides help with childcare costs for working parents of three- to four-year-olds.

shows that over half (55 per cent) of participants who had been out of work for less than 12 months moved into employment, diminishing to approximately a third (37 per cent) among those who had not worked for over 5 years.

Figure 3.3: Proportion of participants progressing into work by length of time out of work

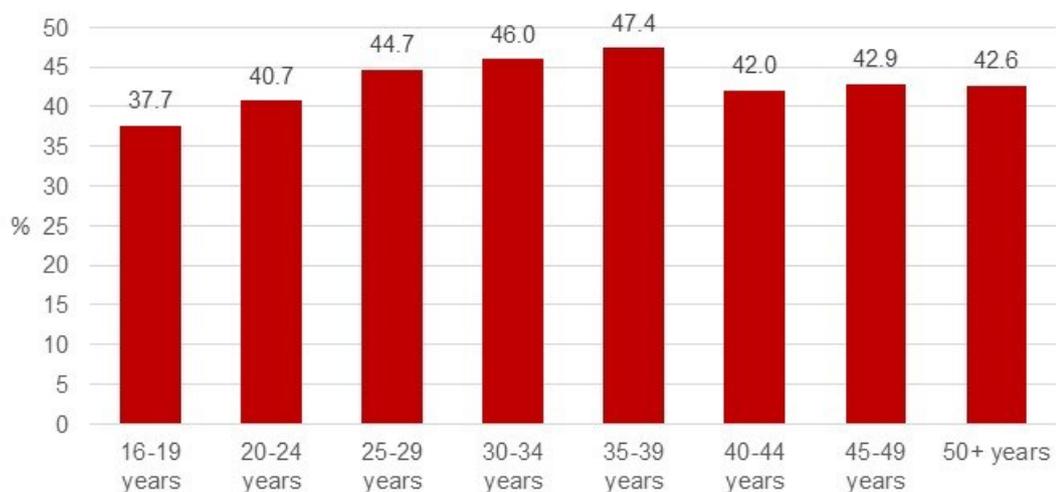


Source: Database of participants as at 31 October 2021

Job outcomes by age

3.10 The proportion of participants progressing into employment varied according to age, with 45 per cent of those aged 25 and over (Priority 1) entering jobs and 40 per cent of those aged 16-24 (Priority 3) doing so. Those aged 16-19 were least likely to have progressed into work than any other age group.

Figure 3.4: Proportion of participants progressing into employment by age



Source: Database of participants as at 31 October 2021

- 3.11 Figure 3.4 shows that the likelihood of entering employment initially increases steadily with age, peaking among those aged 35-39. This pattern probably partly reflects the increasing age of dependent children and, therefore, the reduced barriers faced by older participants in terms of returning to work. However, the proportion who enter work following PaCE falls slightly across remaining age groups, although these represent relatively small numbers of PaCE participants.

Job outcomes by ethnicity

- 3.12 Overall, 40 per cent of participants from ethnic minority backgrounds progressed into work, with a greater proportion of those aged 25 and over doing so (at 41 per cent) than participants aged 16-24 (at 33 per cent). The proportion of participants from ethnic minority backgrounds progressing into employment was, however, below the 44 per cent of all participants doing so.

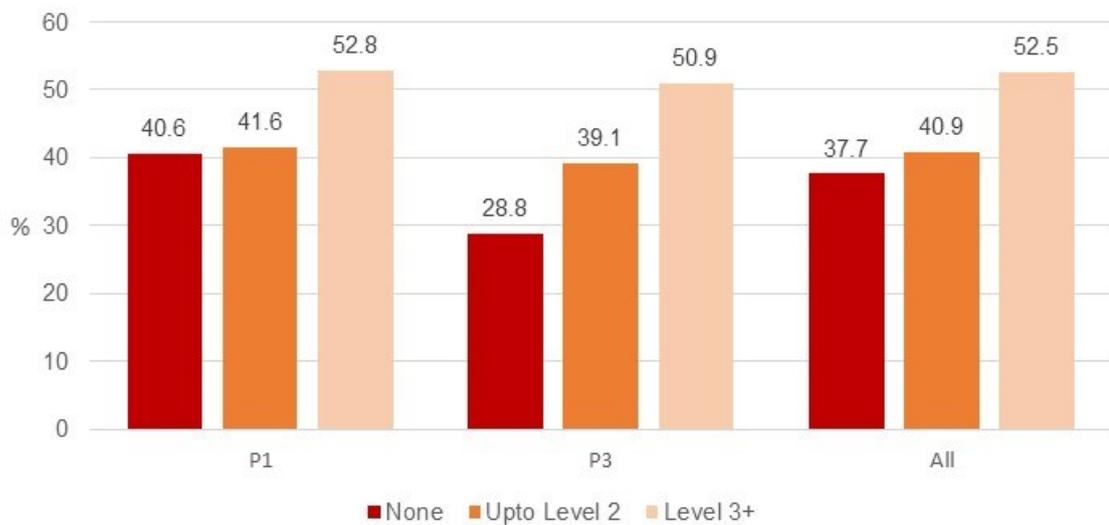
Job outcomes by work limiting health condition or disability

- 3.13 Proportionally fewer participants with a work limiting health condition or disability progressed into employment, at 33 per cent overall. Here, however, a higher proportion of participants aged 16-24 (at 38 per cent) than those aged 25 and over (at 31 per cent) progressed into work.

Job outcomes by qualification level

- 3.14 Participants who were better qualified upon entry did better than those with no or only low-level qualifications at finding work. Figure 3.5 shows that, overall, 53 per cent of those with qualifications at or above level 3 progressed into employment, compared to 38 per cent of those with no qualification upon entry. To some degree, this reflects higher employment rates among better qualified individuals in general.
- 3.15 The qualification-employment gradient is particularly strong among Priority 3 participants. This is likely to owe something to younger participants lacking the skills acquired 'on the job' during previous employment by older participants who similarly have no or only low-level qualifications. This would suggest that even where individuals have lower levels of educational attainment, being 'qualified by experience' increases their employability.

Figure 3.5: Job outcomes by level of qualification held upon entry



Source: Database of participants to 31 October 2021

Job Outcomes by Welsh language

3.16 Overall, 50 per cent of participants who speak Welsh had progressed into employment compared to 44 per cent of all participants. Participants who speak Welsh were more likely to progress into employment in most local authority areas and the extent to which the language is spoken in the community seemed to make only limited difference. This possibly points to value attached by employers, wherever they are, to Welsh language skills.

Job Outcomes by aspects of PaCE support

3.17 The achievement of a qualification and/or work related certificate were both associated with a small improvement in employment outcomes among Priority 3 participants (five percentage points for those achieving qualifications and three percentage points for those gaining a work related certificate) but not among older Priority 1 participants. This would seem to reinforce the earlier argument that previous work experience adds to older participants' employability, whereas qualifications/certification are more important to younger individuals who lack a track record of working.

3.18 Larger improvements in employment outcomes among both Priority 1 and Priority 3 participants were associated with the completion of volunteering opportunities. Overall, the completion of such activities was associated with a

12 percentage point increase in employment outcomes. The effect of volunteering was greater for Priority 1 participants, where undertaking a volunteering opportunity was associated with an increase in employment outcomes of 13 percentage points compared to 10 percentage points among Priority 3 participants.

- 3.19 Being in receipt of support with childcare was associated with a 15 percentage point increase in employment outcomes. This effect was larger among Priority 1 participants (at 16 percentage points) compared to Priority 3 participants (at 11 percentage points). In East Wales, receipt of childcare was associated with a 19 percentage point increase in employment outcomes. This effect of childcare was, however, driven by those who received in-work support with childcare costs rather than those who received support with childcare costs for other reasons, such as participation in training, attendance at interviews or to gain work experience through volunteering. As discussed in the previous chapter, participants who received in-work childcare support tended to be more employable than PaCE participants as a whole in that they were better qualified and had been out of work for less time than all PaCE participants. It is, therefore, difficult to assess the impact of in-work childcare support alone on this group's employment outcomes.

Characteristics associated with improved employment outcomes

- 3.20 The problem with making such comparisons between groups of PaCE participants is that the differences that emerge could be the result of confounding factors. For example, the lower rates of transition into employment among those from ethnic minority communities or those with work limiting health conditions could be the result of lower levels of qualifications held by such groups. Likewise, higher levels of educational attainment could be contributing to the strong employment performance of participants who speak Welsh.
- 3.21 To take account of such factors, we undertook a multivariate analysis of the administrative data which allows us to simultaneously account for the effect of different characteristics on the likelihood that those supported by PaCE enter into employment following their participation on the programme. Based upon a

logistic regression, we were able to identify the separate and additional effect of the different personal characteristics of PaCE participants as well as differences in the nature of support provided by PaCE on the likelihood that these participants would gain employment. The analysis was limited to participants who were first supported by PaCE prior to the start of the pandemic to factor out the significant changes that took place, both in terms of the nature of support that could be provided by PaCE and in the composition of those who participated (see later).

3.22 Many of the findings derived from the regression analysis confirm those discussed above. However, the regression analysis provides a more accurate assessment of how a particular characteristic is correlated with the employment outcomes of PaCE clients.

3.23 The following characteristics were found to be associated with poorer employment outcomes:

- lone parents were 17 per cent less likely to enter employment than those participants who had partners
- those with a work limiting health condition were 48 per cent less likely to gain employment than those with no such condition
- those who had been out of work for longer than five years were more than 50 per cent less likely to gain employment following PaCE than those who had been out of work for less than one year³¹ .

3.24 The following, characteristics were associated with an increase the likelihood of progression into work.

- those participants aged between 30 and 40 years old were approximately 50 per cent more likely to enter employment following PaCE than those aged 16 to 25
- levels of educational attainment upon entry to PaCE were strongly correlated with employment outcomes: those with qualifications at Level 3 or above were 46 per cent more likely to enter employment than those with qualifications at or below Level 2

³¹ With 17 per cent of those who had been out of work for five years or more compared to 11 per cent of those who had been out of work for less than a year

- after accounting for their higher levels of educational attainment, it remained the case that Welsh speakers were 25 per cent more likely to gain employment following PaCE than non-Welsh speakers
- the achievement of a work-related certificate was associated with a 44 per cent increased likelihood of entering employment
- undertaking a volunteering opportunity was associated with a 79 per cent increase in the likelihood of entering employment following PaCE
- having taken account of the characteristics of those who have participated on the scheme, employment outcomes were estimated to be strongest in Gwynedd and Monmouthshire: outcomes were poorest in the Vale of Glamorgan, Caerphilly and the Isle of Anglesey.

Nature of job outcomes

- 3.25 The Experience and Outcomes Evaluation Report pointed to around half of participants progressing into work going into fairly low-level ‘foundational economy’³² jobs. Analysis of the participant database as at October 2021 would support this finding, with caring, cleaning, hospitality/catering and retail roles making up over half of the jobs recorded. Intermediate roles in administration, learning support and childcare also represent important areas of work for former PaCE participants, as do jobs in hair and beauty, sales/customer services and transport. Our fieldwork with participants confirmed the importance of jobs in the foundational economy to former PaCE participants.
- 3.26 Over four fifths³³ of those interviewed who were in work were in permanent jobs, with only a handful of individuals on temporary contracts.

Sustainability of job outcomes

- 3.27 Our fieldwork would suggest that having progressed into work, former PaCE participants tend to remain in employment, albeit that they might change jobs. Over four fifths of those in work when they were interviewed in 2019 were still

³² The ‘foundational economy’ is the term adopted by the Welsh Government to describe ‘basic goods and services on which every citizen relies’ and include things such as care and health services, food and retail

³³ See Table 3.1: 29 of those interviewed were employed and four were self employed

in work in 2021, but only half of those who were in work in both 2019 and 2021 were in the same jobs. Official estimates for the UK³⁴ suggest that only three per cent of workers change their jobs from one quarter to the next, possibly pointing to the relative precariousness of the employment gained by some former PaCE participants.

- 3.28 Individual interviewees' motives for changing jobs varied. Some moved to jobs that provided more predictable hours, offered more flexibility or fitted better with their childcare responsibilities. Others moved into jobs which paid more, provided better employment benefits (e.g. sick pay, holiday pay) and/or offered better progression prospects. Others moved into more secure jobs, with at least one individual taking a reduction in pay by doing so. One individual had been forced to find alternative employment when the COVID-19 situation affected the viability of their previous job.
- 3.29 A majority of interviewees in employment were satisfied with their jobs and most envisaged that they would stay in the same job for the next six months at least. Those who were less satisfied with their jobs fell into two camps: those who aspired to better things or who had outgrown their current roles and those who found the jobs too hard or stressful.
- 3.30 On the whole, interviewees who were in work seemed happy with their income, albeit that they 'could always do with more'. Three fifths of those in work in both 2019 and 2021 and who declared their income during interview earned more in 2021 than they did in 2019, with some earning more as a result of increasing the number of hours they worked each week. Nevertheless, over half of those who declared their incomes earned less than £12,000 a year (which is by now below the income tax threshold) and most of those interviewed were reliant on tax credits or the Universal Credit to top-up their income. Having said this, however, the individuals concerned were better off in work than they were previously.
- 3.31 Three fifths of those interviewed who were in work felt secure in their jobs. Those who were less secure were concerned about a variety of things,

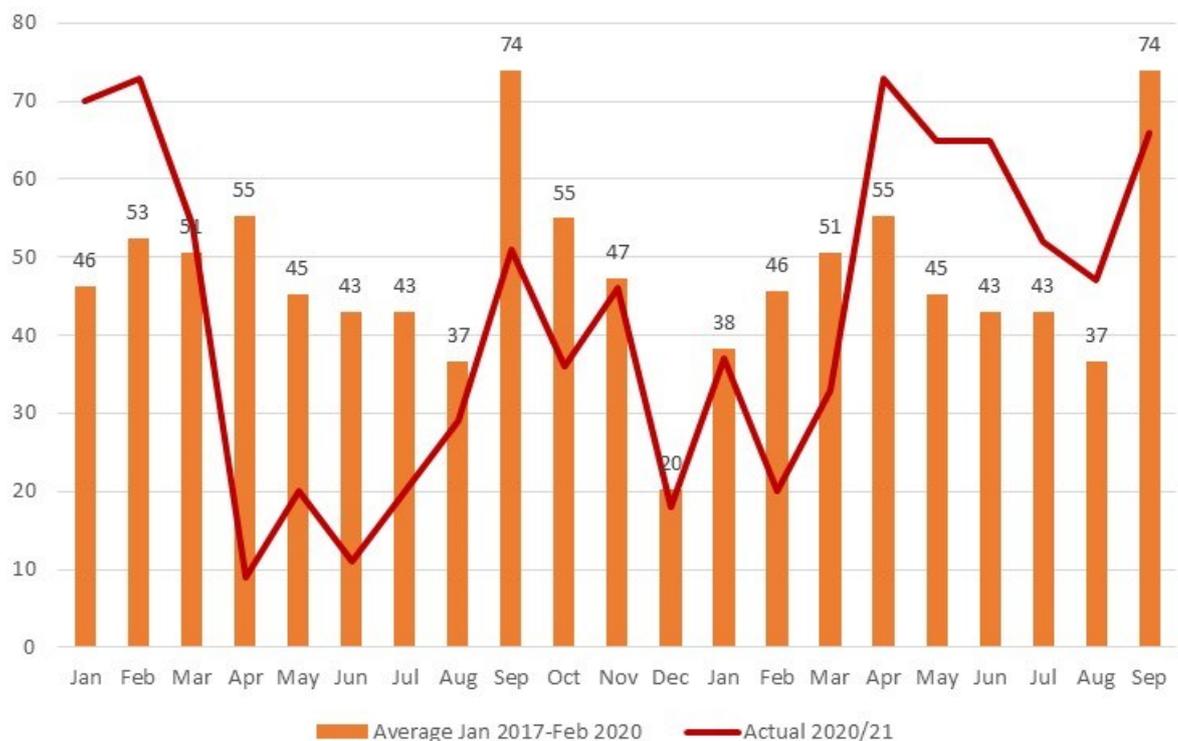
³⁴[Labour Force Survey flows estimates: November 2022](#)

including the vulnerability of their employers or departments, an expectation that personal carer roles would come to an end and general misgivings about job security in light of previously having been made redundant. It was perhaps surprising that the COVID-19 situation did not generally feature as a factor influencing interviewees' sense of job security.

The effects of the Coronavirus pandemic on outcomes

3.32 The COVID-19 pandemic impacted upon the numbers of participants progressing into employment. Figure 3.6 compares the monthly average numbers of participants progressing into employment between January 2017 and February 2020 (by which time the programme had become established and a consistent pattern of job outcomes had emerged) and the numbers moving into work each month (as indicated by the line) between January 2020 and September 2021, when the effects of the pandemic were clearly apparent.

Figure 3.6: Number of participants progressing into work by month between January 2020 and September 2021 as compared to the average numbers progressing each month between January 2017 and February 2020



Source: Database of participants to 31 October 2021

- 3.33 The greatest impact was felt during the first ‘lockdown’ period (between April and July 2020), when job outcome numbers fell to roughly a third of the average achieved over the previous three years. Numbers remained some 25 per cent below previous years’ levels between August 2020 and April 2021, by which time primary schools had re-opened and the ‘stay at home rule’ had been relaxed somewhat. This points to participants’ ability to progress into work being constrained by a combination of factors: the intermittent closure or partial closure of schools and nurseries making it difficult for parents to commit to work; and the enforced closure of businesses in sectors such as hospitality and non-essential retail, which represent important routes into work for PaCE participants. Job outcome levels started to recover from April 2021 and, for five months, exceeded levels seen prior to the pandemic. The numbers progressing into work fell slightly below the previous years’ average again in September 2021, possibly reflecting difficulties parents faced in managing COVID-19 related challenges at the start of a new school year.
- 3.34 A comparison of job outcome rates before and since the pandemic shows a decline of approximately 10 percentage points overall. However, below this headline job outcomes have been especially strong among individuals who participated in PaCE for a relatively short time during the pandemic period. For example, individuals who engaged with PaCE for up to three months following the start of the pandemic were almost nine percentage points more likely to have progressed into employment than those who participated for a similar length of time and progressed into work prior to March 2020. It is too early to draw firm conclusions about why this might be the case, but it is likely to be at least partly attributable to differences in the characteristics of participants. For example, since the pandemic:
- the proportion of participants who had been out of work for less than 1 year increased from 25 per cent to 33 per cent
 - there has been a reduction in the proportion of participants with low levels of educational attainment: the proportion with qualifications at or below Level 2 has fallen slightly with the most pronounced decline (six percentage points) among those with no qualifications or no qualifications above level 1.

- the age of participants has increased, with those aged over 25 (Priority 1) accounting for 80% of participants since the pandemic compared to 75% of participants beforehand.
- 3.35 Drawing upon participant interview findings, the pandemic also impacted upon former participants who had progressed into work. For some it meant increasing the hours they worked, both to keep up with increased demand for goods/services and to cover colleagues' absence from work due to illness. This, combined with the closure/downscaling of local childcare provision, presented real difficulties for some in terms of finding childcare. Several individuals found themselves relying more heavily on family and friends, including in a couple of cases, upon ageing parents who were themselves vulnerable to COVID-19.
- 3.36 A small number of interviewees were able to work from home, either for all or some of their working hours. During the first lockdown in particular, this was combined with 'home-schooling' their children because of the closure of schools. Parents described juggling home schooling and work as 'mental', 'awful' and 'hell on earth', with individuals speaking of 'working into the nights' because they were fully occupied looking after their children during the day.
- 3.37 A small number of parents capitalised on key worker childcare/school provision, but some of those eligible to do so felt that it was too risky to send their children to childcare/school because their children also had contact with grandparents who were vulnerable. One individual noted that key worker childcare had been limited and this restricted the hours which she was able to work.
- 3.38 Five former participants we interviewed had been furloughed as a result of the COVID-19 pandemic. One was paid 90 per cent of her salary whilst furloughed whilst the remaining four were paid 80 per cent of their normal earnings. Other individuals continued to work, but had their hours reduced or, in the case of two self-employed individuals, were unable to trade during lockdown periods. Individuals who were furloughed and those working reduced hours alike found themselves facing financial difficulties in the short term, with individuals

speaking of falling behind with rent payments and being 'lucky' to receive food parcels.

Factors preventing participants from moving into work

- 3.39 Four of the eight³⁵ individuals who were out of work when we conducted our fieldwork in 2021 had been in employment but had lost their jobs. In three cases, this had been partly attributable to COVID-19 whilst one had suffered a work limiting injury.
- 3.40 The main barriers currently preventing interviewees who were out of work from working included:
- physical health issues
 - unrealistic ambitions/fixed on particular types of work
 - childcare problems, including in relation to children with additional needs e.g., disabled children and those with ADHD.
- 3.41 It was clear that other 'life events' prevented some from moving into or remaining in work, including for example, on-going legal battles over access to children and the birth of a new child. At least one individual was not looking for work because she perceived that she would be worse off financially, whilst two others now lived with partners who worked and were not themselves looking for work.
- 3.42 Whilst most of those not currently working were positive about their experience of PaCE, none had sought further help from their advisers. Only one of the eight individuals interviewed was actively looking for work at the time.

Work experience/volunteering outcomes

- 3.43 Overall, some six per cent of all PaCE participants had completed volunteering placements, equating to some 400 individuals. This is below the 10 per cent revised outcome target agreed for the programme³⁶. The advent of the pandemic (leading to successive lockdowns and constraining the ability of

³⁵ See Table 3.1

³⁶ It was originally intended that 30 per cent of Priority 1 participants would complete a work experience placement or volunteering opportunity. No such target was set for Priority 3 participants.

agencies to offer volunteering opportunities) affected participants' ability to undertake placements and only one per cent of participants engaged with the programme after April 2020 completed volunteering placements.

Education or training outcomes

- 3.44 A total of 81 participants³⁷ (just over one per cent) had progressed into education or training upon leaving PaCE³⁸. Whilst numbers were low in both regions, a marginally higher proportion of participants in East Wales had progressed into education/training than had in West Wales and the Valleys.

Qualifications or work-related certifications achieved

- 3.45 A total of 293 participants had achieved a qualification as a result of participating in PaCE. This equates to some five per cent of all participants and is below the 15 per cent target set for the programme. Some 688 (or 11 per cent) individuals had attained work relevant certifications not recognised under the Credit and Qualification Framework Wales (CQFW), though some of these had also achieved full qualifications.

The wider effects of PaCE

- 3.46 Previous phases of the evaluation have pointed to the wider effects of PaCE upon participants and their families beyond work or qualifications related outcomes. These included:
- for participants: increased confidence, a greater sense of purpose and fulfilment, a greater sense of social connection, having more money and providing a good role model for their children
 - for participants' families: children blossoming as a result of experiencing formal childcare and having more structure to their lives.

Chapter Summary

A substantially higher proportion of participants have progressed into work than anticipated, exceeding both the programme's original and revised job outcome targets. Performance in relation to job outcomes has been stronger among participants aged 25

³⁷ 58 Priority 1 and 23 Priority 3 participants.

³⁸ No target was set for the number/proportion of Priority 1 participants progressing into education or training, but a revised target of 65 individuals was agreed for Priority 3.

and over than those aged 16-24 and there are also variations in the proportion of participants progressing into jobs from one area to another.

Almost half of participants progressing into jobs did so having been involved with PaCE for three months or less and a large majority of those entering employment did so within a year of joining the programme.

Factors associated with individuals progressing into employment included:

- being out of work for shorter periods prior to joining PaCE
- being better qualified
- being Welsh speakers
- being aged 30 to 40.

Factors which seemed to impact adversely upon the likelihood of participants finding work included:

- being from an ethnic minority community
- having a work limiting health condition/disability
- being a lone parent
- being aged 16-25
- being out of work for longer than five years.

Improvements in employment outcomes were associated with the achievement of qualifications and/or work-related certifications, volunteering and receiving help with childcare costs.

Over half of those progressing into work go into entry level 'foundational economy' jobs and a large majority secure permanent contracts. Our fieldwork would suggest that those that progress into work tend to remain in employment, albeit that they might change jobs, some for positive reasons and others out of necessity rather than choice.

A majority of those entering employment were satisfied with the jobs they had and with their earnings, albeit that their earned incomes were generally modest, leaving them reliant on in-work benefits. A small majority of individuals had seen their earnings grow over the period of this evaluation.

Job outcomes were severely impacted by the COVID-19 pandemic, leading to an overall rate of decline of about 10 percentage points. Whilst job outcome rates have recovered somewhat, the biggest gains have been made among participants who share characteristics previously associated with job outcomes i.e. being out of work for shorter

periods of time, being better qualified and being a little older. The pandemic also impacted upon former participants who had previously progressed into work in terms of affecting their working patterns and/or their ability to rely on childcare. For some, this had knock-on financial implications too.

Performance against other outcome targets have been rather less encouraging, with the numbers completing volunteering opportunities, entering education or achieving qualifications/work-related certifications falling short of the targets set. This would seem to be a weakness of the programme which was compounded by the effects of the COVID-19 pandemic.

However, there is evidence that PaCE has wider positive effects upon participants and their families.

4. The Difference Made by PaCE: Employment Additionality

Introduction

4.1 In this chapter we seek to provide an insight into the difference made by PaCE to participants' progression into work. This chapter is presented in four sections as follows:

- the approach taken
- contextualising potential PaCE participants
- typical employment outcomes of potential PaCE participants
- comparison of employment outcomes among PaCE participants to what might be expected.

The approach taken

- 4.2 The effects of the programme can be assessed by drawing comparisons between the employment outcomes of PaCE participants and those of individuals with similar characteristics within the wider population. In order to do this, however, it is necessary to understand the characteristics and employment trajectories of those within the wider population who would be eligible for and could, therefore, potentially benefit from PaCE.
- 4.3 Two sources of data have been used to do this: the Annual Population Survey (APS) and the Labour Force Survey (LFS)³⁹, including boosts specific to Wales and Scotland, referred to as the Local Labour Force Survey (LLFS)⁴⁰.
- 4.4 Broadly speaking, the APS combines data from the LFS and LLFS into a single data set⁴¹. The larger APS sample makes it possible to examine labour market transitions among sub-groups of the population. This is particularly important given that PaCE aims to support two groups of out of work parents, both of which consider childcare to be their main barrier to accessing employment and training opportunities: economically inactive parents aged

³⁹ The LFS represents the largest survey of private households in the UK.

⁴⁰ These sample boosts have taken a different form to the main (quarterly) LFS where households are retained for a maximum period of five quarters or one year. In the LLFS, individuals are surveyed annually over a period of four years. As with the main LFS, there is a rotational element in that every year, 25 per cent of observations are replaced. Individuals from the LLFS can, thus, be observed for a maximum of 4 years.

⁴¹ The structure of the APS sample is summarised at Annex 3.

over 25 (Priority 1) and young parents aged 16 to 24 who are NEET (Priority 3). It should be noted that Priority 3 participants represent a broader group of people in that they include unemployed individuals as well as people who are economically inactive.

4.5 The analysis presented here uses APS data from 2010-2020.

Contextualising potential PaCE participants

4.6 In this section, we explore the characteristics of non-employed parents in Wales and consider how participation in PaCE compares.

4.7 Drawing upon the APS, Table 4.1 sets out the number of non-employed adults with dependent children in Wales. Such individuals represent potential PaCE participants and number 91,000 people aged 25 and over (potential Priority 1 participants) and 16,000 individuals aged 16-24 who are NEET (potential Priority 3 participants).

4.8 However, these potential participants represent very divergent groups in terms of their attitudes towards finding work. Firstly, a majority of out of work parents who could be eligible for PaCE, do not want work (67 per cent of those aged 25 and over and 52 per cent of those aged 16-24). It is important to distinguish this group as it is improbable that they would seek support from PaCE. They are also likely to exhibit very low rates of transition into employment and would, therefore, be a less significant part of any comparator group for assessing the effectiveness of the programme.

4.9 The APS reveals that less than four per cent of parents aged 25 and over would like to work and are seeking work, compared to 25 per cent of parents aged 16-24. This reflects the broader (Priority 3) eligibility criteria for PaCE for younger parents, where the programme is extended to those who are unemployed and who, by definition⁴², should want work, be looking for work and be available to start work. Only economically inactive parents are eligible

⁴² See: The 19th [International Conference of Labour Statisticians: Resolution concerning statistics of work, employment and labour underutilization: p11](#)

for support under Priority 1 and, as such, only a very small proportion indicate that they are looking for work⁴³.

- 4.10 The remaining group of parents that can be identified are those that want work but who are not looking for work. Respondents can record a variety of reasons as to why they are not looking for work, including waiting for the results of an existing job application, being sick or disabled and believing that no work is available. However, in the context of PaCE, of key significance are those parents who report that they are not seeking work because they are looking after the family or the home. Among older parents (Priority 1), 17 per cent report looking after the family or the home as the main reason for not looking for work whilst the comparable figure among younger participants (Priority 3) is 20 per cent.
- 4.11 In the LFS, all those economically inactive respondents who reported that they were not looking for work because they were looking after the family/home are subsequently asked whether they were caring for children below school age or other children. Those with such caring responsibilities are further asked if the reason that they were not looking for work was because 'Care services for children are not available or affordable'. These questions (not contained in the APS data), therefore, help to identify a group of parents from the wider population of non-employed parents who may closely resemble the client groups targeted by PaCE i.e., the main reason for not seeking employment is due to caring for children and that the absence or unaffordability of care services is important in this respect. However, a limitation of data contained within the APS is that not all of the questions that are included in the LFS find their way into the APS data files. These include those questions in the LFS that are to do with childcare specifically.

⁴³ Unfortunately, in the APS, those who are looking for work (predominantly the unemployed) are not asked any further questions regarding potential difficulties surrounding childcare. It is, therefore, not possible to determine what proportion of these groups regard the absence of childcare as being a barrier to finding work.

Table 4.1: Size and Composition of Non-Employed Adults with Dependent Children (%)

	Annual Population Survey						Labour Force Survey					
	Wales			Great Britain			APS Consistent Summary			Detailed Summary		
	25+ Inactive (P1)	16-24 NEET (P3)	Total	25+ Inactive (P1)	16-24 NEET (P3)	Total	25+ Inactive (P1)	16-24 NEET (P3)	Total	25+ Inactive (P1)	16-24 NEET (P3)	Total
Don't want work	66.7	52.3	64.5	70.2	54.2	68.6	73.6	53.4	71.3	73.6	53.4	71.3
Want work, not looking	12.7	2.9!	11.2	10.1	2.9	9.4	8.7	2.7	8.0	8.7	2.7	8.0
Want work, not looking, care main reason	17.1	20.3	17.6	16.2	18.8	16.5	14.0	16.7	14.3			
Like work and seeking work	3.5	24.5	6.7	3.5	24.1	5.5	3.7	27.3	6.3	3.7	27.3	6.3
Want work, not looking, non-child related care main reason										2.0	0.0	1.8
Want work, not looking, childcare main reason										5.6	5.9	5.6
Want work, not looking, childcare main reason, childcare not available										6.4	10.7	6.9
Total	100	100	100	100	100	100	100	100	100	100	100	100
Population (thousands)	91	16	107	2,021	253	2,274	1,946	241	2,188	1,946	241	2,188
Potential PaCE Client Base	14,300	7,000	20,100									

Source: Own estimates derived from the Annual Population Survey, 2011-2020.

! The data item is based on between approximately 26 and 39 responses to the survey and is categorised as being of limited quality.

- 4.12 A further limitation of the LFS data is the much smaller sample sizes that are available for Wales, which means that it is only possible to examine the relative size of these groups at a Great Britain (GB) level. Having said this, however, analysis of the APS suggests that non-employed parents in Wales do not differ in their attitudes towards work to those across GB as a whole and so this approach should provide useful insights.
- 4.13 Analysis of the LFS reveals that 12 per cent of those aged 25 and over (potential Priority 1 participants) report childcare responsibilities as the main reason for not looking for work, split evenly between those who said that they were not looking for work because childcare services were not available or affordable (6 per cent) and those who did not cite childcare services as an issue (6 per cent). Among younger parents (potential Priority 3 participants), 17 per cent report childcare as the main reason for not looking for work. Of this group, 11 per cent report that they were not looking for work because childcare services were not available or affordable. Together then, the absence and/or affordability of childcare services would seem to be a greater barrier to younger parents looking for work.
- 4.14 Given the considerations discussed above, our estimates of the likely employment trajectories of individuals with similar characteristics to PaCE participants within the wider population focus on two groups:
- parents who would like to work and are seeking work
 - parents who want to work but are not looking for work because of childcare responsibilities.
- 4.15 Overall, the analysis reveals that there were potentially some 14,300 parents aged 25 and over and 7,000 parents aged 16-24 in Wales per annum who fall into these categories and could have been within the scope of the PaCE programme⁴⁴. Before the pandemic, PaCE was supporting approximately 1,200 people per annum, which represents some six per cent of potentially eligible individuals.
- 4.16 Table 4.2 considers the characteristics of these two main potential PaCE participant groups. Due to the smaller size of the younger group of non-employed parents (potential Priority 3 clients), LFS data are not available and analysis is confined to the less detailed APS data.

⁴⁴ Calculated by applying the percentages derived from the detailed summary of LFS data (as emboldened in Table 4.1) to the estimates of the population of economically inactive parents aged 25 and over (potential Priority 1 clients) and NEET parents aged 16-24 (potential Priority 3 clients) in Wales derived from the APS (as emboldened in table 4.1).

This means that it is only possible to examine the characteristics of older parents (potential Priority 1 participants) who specifically cite reasons associated with caring for children.

4.17 The less detailed APS analysis shows that among younger potential (Priority 3) clients, there are significant differences in the characteristics of those who are looking for work and those who are not due to care responsibilities. For example, those who are not looking for work are:

- more likely to be female (98 per cent) compared to those looking for work (72 per cent)
- more likely to be lone parents (60 per cent) compared to those who are looking for work (51 per cent)
- more likely to have younger children (98 per cent) compared to those who are looking for work (89 per cent)
- more likely to be suffering from a work-related ill-health condition (16 per cent) compared to those who are looking for work (12 per cent)
- more likely to be un/poorly qualified (80 per cent holding qualifications no higher than Level 2) compared to those who are looking for work (75 per cent)
- less likely to have recently been in work (13 per cent employed in the last year) compared to those who are looking for work (30 per cent).

4.18 Compared to younger (potential Priority 3) parents, older (potential Priority 1) non-employed parents are more likely to:

- be part of a couple (70 per cent compared to 45 per cent)
- have older dependent children (only 55 per cent have a dependent child aged 0-4 years compared to 93 per cent of younger parents)
- suffer a work-related ill-health condition (18 per cent compared to 14 per cent)
- have higher levels of educational attainment (44 per cent having qualifications at Level 3 or above compared to 23 per cent)
- have been out of work longer (with 54 per cent having been without work for 5 years or longer compared to 23 per cent).

- 4.19 As noted above, among the older group of potential PaCE clients, relatively few record that they are looking for work (four per cent). Although fewer, parents in this group are more likely to have recently been in work (26 per cent employed in the last year compared to 9 per cent who were not) and are more highly qualified (51 per cent qualified to Level 3 or higher compared to 42 per cent who are not).
- 4.20 Data from the LFS allows us to examine the relative characteristics of older potential PaCE clients in more detail, enabling us to identify those who say that they are not looking for work because they are caring for dependent children and to further distinguish those who report that they are not looking for work due to the availability or unaffordability of childcare (those who are seeking work are also retained for comparability with the LFS). There are some differences between those who report a lack of childcare services and those who do not. Those who explicitly mention 'childcare' are more likely to be single parents (35 per cent compared to 24 per cent) and have dependent children who are younger (72 per cent with children aged 0-4 years compared to 56 per cent with children aged five and over), highlighting the greater importance attached to those services among lone parents and those with children below school age.

Table 4.2: Characteristics of Non-Employed Parents (%)

	Annual Population Survey						Labour Force Survey			
	25+ Inactive (P1)			16-24 NEET (P3)			25+ Inactive (P1)			
	Want work, not looking care main reason	Like to and seeking work	Total	Want work, not looking care main reason	Like to and seeking work	Total	Want work, not looking, childcare main reason	Want work, not looking, childcare main reason, childcare not available	Like to and seeking work	Total
Gender										
Males	10.2	20.9	12.1	2.4	28.0	16.4	8.3	7.1	21.9	11.0
Female	89.8	79.1	87.9	97.7	72.0	83.6	91.7	92.9	78.1	89.0
Family Status										
Couple	71.4	65.5	70.4	40.5	49.5	45.4	75.8	65.2	65.7	69.1
Single	28.6	34.5	29.7	59.5	50.5	54.6	24.2	34.8	34.3	30.9
Age of Youngest Child										
0-4 years	55.5	53.7	55.2	97.6	89.4	93.1	56.1	72.0	51.5	61.5
5-11 years	30.6	32.5	30.9	2.4	10.6	6.9	31.1	23.9	34.8	29.0
12-18 years	14.0	13.8	14.0				12.8	4.2	13.8	9.5
Work Limiting Health Condition										
No	82.4	78.1	81.6	84.1	87.7	86.0	82.7	82.5	81.0	82.3
Yes	17.7	21.9	18.4	16.0	12.3	14.0	17.3	17.5	19.0	17.8

Time since last job										
than 1 year	8.9	26.0	12.0	12.8	30.3	22.4	8.6	9.7	27.3	13.5
1-5 years	33.6	37.6	34.3	58.1	51.0	54.2	31.2	39.5	36.7	35.9
5 years+	57.5	36.5	53.8	29.1	18.6	23.4	60.2	50.8	35.9	50.6
Educational Attainment										
NQF Level 4+	26.1	35.7	27.8	4.2	6.0	5.2	31.9	24.0	35.3	29.5
NQF Level 3	16.1	15.3	15.9	15.3	19.3	17.5	13.6	16.6	15.3	15.2
NQF Level 2	18.9	17.9	18.7	31.1	29.8	30.4	16.8	21.1	18.3	18.9
NQF Below Level 2	18.5	15.0	17.9	27.5	25.6	26.5	17.1	18.4	14.3	17.0
Other	7.8	7.8	7.8	4.9	4.9	4.9	7.3	7.5	7.2	7.3
None	12.4	8.0	11.6	16.7	14.1	15.3	13.1	12.4	9.6	12.0
Total	100	100	100	100	100	100	100	100	100	100

Source: Own estimates derived from the Annual Population Survey, 2011-2020.

4.21 Table 4.3 shows how the characteristics of these potential PaCE participants as identified in the APS broadly compare to the observable characteristics of actual PaCE clients. It can be seen that the most significant difference between these two groups is the much higher proportion of PaCE participants aged 25 and over (Priority 1) who are lone parents (82 per cent) compared to the wider population of non-employed parents of that age (30 per cent). Related to this is the finding that women are also over-represented among PaCE participants compared to the wider population of non-employed parents.

Table 4.3: Comparing PACE Participants with Similar Non-Employed Parents

	PACE		APS	
	25+ Inactive (P1)	16-24 NEET (P3)	25+ Inactive (P1)	16-24 NEET (P3)
Gender				
Female	93.6	97.8	87.9	83.6
Male	6.4	2.2	12.1	16.4
Lone Parent				
No	18.3	17.7	70.4	45.4
Yes	81.7	82.3	29.7	54.6
Work Limiting Health Condition				
No	85.4	90.0	81.6	86.0
Yes	14.6	10.0	18.4	14.0
Existing Qualification Level				
None	7.2	7.6	11.6	15.3
Other			7.8	4.9
< Level 2	17.8	24.9	17.9	26.5
Level 2	41.5	49.8	18.7	30.4
Level 3	20.7	14.7	15.9	17.5
Level 4+	12.8	2.9	27.8	5.2
Length of Non-Employment				
Less than 1 year	27.5	22.9	12.0	22.4
1-5 years	43.0	60.9	34.3	54.2
5 years or more	29.5	16.1	53.8	23.4
Total	100	100	100	100

- 4.22 Direct comparison of existing qualification levels is problematic due to the different coding frames used within the APS and PaCE client records. Available data appear to suggest that PaCE clients compare favourably to the wider population of non-employed parents in the respect that they appear less likely to have no qualifications. In terms of their recent experience of employment, younger PaCE participants (Priority 3) appear to be similar to the wider population of 16-24 year old parents who are NEET. However, among the older (Priority 1) participant group, it can be seen that the percentage who have been out of employment for five or more years (30 per cent) is much lower than that exhibited among non-employed economically inactive parents aged 25 and over.

Employment outcomes among potential PaCE participants

- 4.23 The analysis has revealed the varying circumstances and characteristics of parents who could fall within scope of the PaCE programme. Those who report that they are not seeking employment due to caring responsibilities differ from those that are looking for work. Older parents who could potentially be supported under Priority 1 of the programme differ from younger parents who could be supported under Priority 3. Those who report a lack of accessible or affordable childcare services as a reason for not looking for work also differ from those who simply report that they are caring for children. These factors all need to be taken into account in assessing the effectiveness of PaCE in supporting people into employment and in determining which group of non-employed parents most closely represent the counterfactual position of PaCE participants.
- 4.24 Table 4.4 provides evidence of the typical employment trajectories of these different groups based upon longitudinal APS and LFS data. These data allow us to build a picture of the transitions into employment over a period of 12 months that are typically witnessed among groups of parents who resemble PaCE clients, providing a potential benchmark against which the transitions into employment recorded for PaCE clients can be assessed. Such a detailed picture can only be provided using data for the whole of Great Britain.

Table 4.4: Annual Transitions into Employment of Non-Employed Parents (%)

	Annual Population Survey			Labour Force Survey		
	25+	16-24	Total	25+	16-24	Total
	Inactive (P1)	NEET (P3)		Inactive (P1)	NEET (P3)	
Don't want work	12.2	10.2	12.1	11.1	10.0	11.1
Want work, not looking	14.7	26.8	15.0	13.1	27.7!	13.5
Want work, not looking, care main reason	15.8	12.7	15.5	15.9	12.5	15.5
Want work, not looking, non-child related care main reason				14.9		14.9
Want work, not looking, childcare main reason				14.8	6.7	14.0
Want work, not looking, childcare main reason, childcare not available				17.1	15.3	16.8
Like work and seeking work	39.7	31.9	36.6	37.2	36.0	36.7
Total	14.2	16.4	18.6	13.0	18.6	13.5

Source: Own estimates derived from the Annual Population Survey, 2011-2020.

! The data item is based on between approximately 26 and 39 responses to the survey and is categorised as being of limited quality.

- 4.25 Based upon APS data, the highest rates of transition into employment are observed among those who would like work and are seeking work. Approximately 40 per cent of older parents in this group would be expected to enter employment over a period of 12 months. Among younger parents, this figure reduces to almost a third. In the context that the potential PaCE client base for younger parents (Priority 3) can include those who are unemployed, this is important in that it demonstrates that economically inactive parents who would like work can exhibit rates of transition into work that are comparable to those that are exhibited by a group that includes both economically inactive and unemployed parents. In short, there are subsets of the economically inactive population that closely resemble the unemployed in terms of their transitions into work.

- 4.26 Among the economically inactive who are not looking for work because they are looking after the family or home, Table 4.4 reveals that 16 per cent of older parents and 13 per cent of young parents would typically be expected to enter employment over a period of 12 months, based upon APS data. When this group is examined in more detail using LFS data to distinguish those who specifically mention that they are caring for children, there is some indication that those who report that a lack of childcare services prevents them looking for work are more likely to enter employment over a period of 12 months than those who just say that they are constrained by caring for children. This is particularly observed among younger parents. The reasons for this are not clear but may reveal that those who express an opinion about childcare services are closer to the labour market insofar that they have investigated the issue. However, these differences are small compared to the much higher rates of transition into employment that are observed among those who would like work and are seeking work.
- 4.27 Table 4.5 reveals that rates of transition into employment among non-working parents differ according to a variety of personal characteristics. This analysis can only be supported by the larger sample sizes available from the APS and is, therefore, not able to accurately present the employment outcomes of those caring for children, although it is clear that this is predominantly the case among these parents. Amongst those who report that they are not looking for work because they are caring for the family or the home, entry into employment over a 12-month period is estimated to be higher among:
- women than men (at 16 per cent compared to 13 per cent)
 - those with partners (17 per cent) compared to those who are single (12 per cent)
 - those who do not suffer with a work-related ill-health condition (16 per cent) compared to those who do (13 per cent).

Table 4.5: Personal Characteristics and Transitions into Employment: APS Compared with PaCE (%)

	Want work, not looking care main reason	Like and seeking work	All	PaCE
Sex				
Males	12.9	42.8	26.1	44.0
Female	15.8	34.9	20.1	46.3
Potential PaCE Client Base				
16-24 NEET (P3)	12.7	31.9	23.4	40.4
25+ Inactive (P1)	15.8	39.7	20.3	45.3
Family Status				
Couple	17.0	41.4	22.5	44.7
Single	12.2	29.4	17.5	44.0
Work Limiting Health Condition				
No	16.1	39.4	22.0	45.9
Yes	12.9	22.9	15.3	32.6
Educational Attainment				
NQF Level 4+	20.5	49.9	28.1	55.3
NQF Level 3	17.3	35.2	22.1	51.0
NQF Level 2	17.0	33.6	21.7	42.8
NQF Below Level 2	11.3	33.8	16.7	36.6
Other	13.8	30.7	17.5	
None	8.3	19.8	10.7	37.7
Time since last job				
than 1 year	32.3	52.9	42.2	55.4
1-5 years	17.8	34.1	22.8	41.9
5 years+	11.2	26.5	13.5	36.8
Total	15.5	36.6	20.8	44.1

Source: Own estimates derived from the Annual Population Survey, 2011-2020.

! The data item is based on between approximately 26 and 39 responses to the survey and is categorised as being of limited quality.

- 4.28 A clear gradient also emerges in terms of the higher rates of transition into employment among those with higher levels of educational attainment and those who have been in work more recently.

- 4.29 As described above, rates of transition into employment are generally much higher among those who report that they would like and are seeking employment. Among this group, entry into employment is again higher among:
- those with partners (41 per cent) compared to those who are single parents (29 per cent)
 - those who do not suffer with a work-related ill-health condition (39 per cent) compared to those who do (23 per cent).
- 4.30 Those with higher levels of educational attainment and those who have been in work more recently are also more likely to enter employment over a period of 12 months. Among this group the effect of gender appears to be reversed so that men are more likely to enter employment (43 per cent) than women (35 per cent).

Comparison of employment outcomes among PaCE participants to what might be expected

- 4.31 The final column of Table 4.5 presents rates of entry into employment for PaCE participants. Whilst efforts are made to make comparisons for those who share similar characteristics, it must be acknowledged that these do not represent like for like comparisons. The transitions into employment captured by the APS represent those that are observed over a 12-month period. Those captured by PaCE administrative records, on the other hand, simply record the first destinations of PaCE participants upon leaving the programme. It is not known what the employment position of PaCE participants would be if it were measured at a point 12 months following their entry into the programme.
- 4.32 Overall, 44 per cent of PaCE participants are recorded as having entered employment. Consistent with data from the APS presented in Table 4.3, transitions into employment among PaCE participants are higher among older Priority 1 participants (45 per cent) compared to younger Priority 3 participants (40 per cent).
- 4.33 In terms of assessing the impact of PaCE, the key issue is which group of respondents to the APS most closely reflect the circumstances of PaCE participants and thus represent the most appropriate comparator group. Nearly all participants in the PaCE programme database are recorded as

being economically inactive. If participants in PaCE are regarded as a group of parents who want work and who are looking for work upon entry into the programme, then we would expect to see 37 per cent of such parents gain work over a 12-month period. The employment gains associated with participation in PaCE would be an increase of approximately 7 percentage points.

- 4.34 Alternatively, if PaCE provides support to parents who want to work but who are not looking because they are looking after the family or the home (i.e. caring), the employment gains associated with the programme would be considerably larger. The APS suggests that we would only normally expect to see 16 per cent of such participants entering employment over a period of 12 months. The employment gains associated with participation in PaCE would therefore increase to approximately 28 percentage points.
- 4.35 This result does not change greatly if data from the LFS is used to look at the position of those who specifically mention barriers associated with childcare, among whom we would normally expect 17 per cent to enter employment over a period of 12 months. However, if PaCE does support some parents who state that they do not want work and are not looking for work, that would increase the impact of the programme as only 12% of such parents would be expected to enter employment over a period of 12 months. In practice, of course, the PaCE programme supports some combination of all of these groups.
- 4.36 The overall effect of PaCE, therefore, depends upon the composition of the client base in terms of the proportions who want work and who are looking for work. Earlier analysis has demonstrated that the PaCE client base represents a very small proportion of those potentially eligible for the programme. It would, therefore, not be appropriate to assume that the composition of the PaCE client base resembles the distribution of the different categories of economically inactive parents presented in Table 4.1.
- 4.37 Evidence of the make-up of PaCE participants is, however, provided via our qualitative research. Our fieldwork found that 42 per cent of the participants interviewed were actively looking for work when they first got involved with the

programme. A further 40 per cent were considering looking for work but were not actively doing so. Only 15 per cent of the participants interviewed said that they were not looking for or considering work when they first engaged with PaCE. Further justification for using the findings of our fieldwork as a guide to the composition of the PaCE client base is that Priority 3 participants interviewed were less likely than Priority 1 participants to be looking for work and more likely not to be looking at all (in some cases because they were considering going back into education or training).

4.38 Data from the APS does not suggest that we would expect such a high proportion of parents who were potentially eligible for PaCE to be looking for work. Among those potentially eligible under Priority 1, the APS reveals that only 4 per cent would be seeking work (see Table 4.1). Even if those who do not want work are removed from the analysis of APS data (on the assumption that they would be unlikely to participate in PaCE), we would still only expect to see approximately 10 per cent of economically inactive parents aged 25 and over reporting that they wanted and were seeking work. In this regard, therefore, the PaCE client base is not representative of the wider population of non-employed parents who were potentially eligible for the programme. Indeed, the findings of our fieldwork suggest that PaCE participants err towards work-readiness when compared to the wider economically inactive population. In part, this may be attributable to the importance of JCP work coaches as a source of referral.

4.39 Based on the findings of our fieldwork as well as our analysis of APS data, Table 4.6 provides an assessment of the additional job outcomes delivered as a result of individuals' engagement with PaCE⁴⁵. The proportions of participants which our fieldwork found were actively looking for work, were considering but not looking and who did not want work upon joining PaCE are applied to the total number of individuals leaving the programme, to arrive at estimates of the numbers of leavers who would have fallen into each of those categories. We then apply the proportions of these categories which our

⁴⁵ In this table, we assume that those considering but not looking for work are all precluded from looking by childcare responsibilities.

analysis of the APS suggests would have progressed into employment, to the estimated number of leavers in each category. The sum of the numbers derived from each of these calculations provides an estimate of the number of leavers that would have been expected to progress into work in the absence of PaCE. This is then compared to the number who actually progressed, allowing the number actually progressing into work, in excess of expectations, to be calculated.

4.40 The analysis demonstrates that, if the composition of those who contributed to our fieldwork was representative of the PaCE client base and, if rates of progression into work reflected those which the APS suggests might be expected, then it would have been anticipated that, overall, 23 per cent of participants would have been in employment 12 months after leaving PaCE.

4.41 In practice, 50 per cent of PaCE leavers progressed into work⁴⁶, which equates to 27 per cent more individuals in employment than the APS suggests should have been expected. Even allowing for some bias among those who contributed to our fieldwork, this would seem to provide firm evidence that PaCE has been successful in:

- transforming individuals not considering employment (either because of childcare responsibilities or for other reasons) into job-seekers
- increasing the chances of those actively looking for work actually entering employment.

⁴⁶ Notwithstanding that this measure is based upon the immediate destinations of participants upon leaving PaCE, rather than their employment status 12 months later.

Table 4.6: Estimated job outcomes achieved in excess of those that would have been expected in the absence of PaCE support

	P1	P3	Total
A. Number of participants who have <u>left</u>⁴⁷ PaCE	4351	1386	5737
<i>Actively looking</i>			
a Proportion looking for work (per qualitative fieldwork)	45%	18%	38%
b Number of participants who were looking for work (A x a)	1958	249	2207
c Proportion of those looking for work expected to progress into employment (per APS - Table 4.4)	40%	32%	39%
d Number of those actively looking expected to progress into work (b x c)	777	80	857
<i>Considering but not looking</i>			
e Proportion considering but not looking (per qualitative fieldwork)	40%	45%	41%
f Number of participants considering work (A x e)	1740	624	2364
g Proportion of those considering work expected to progress into employment (per APS - Table 4.4)	16%	13%	15%
h Number of those considering work expected to progress into work (f x g)	278	81	360
<i>Do not want to work</i>			
i Proportion not looking for work (per qualitative fieldwork)	13%	27%	16%
j Number of participants who were not looking for work (A x i)	566	374	940
k Proportion of those not looking for work expected to progress into employment (per APS – Table 4.4)	10%	12%	11%
l Number of those not looking expected to progress into work (j x k)	57	45	101
Total expected to progress into work	1,112	206	1,318
Overall expected progression rate	26%	15%	23%
Number who have progressed into work	2,259	626	2,885
Actual progression rate among leavers	52%	45%	50%
Numbers progressing into work in excess of expectations	1,147	420	1,567
Proportion of leavers progressing into work in excess of expectations	26%	30%	27%

⁴⁷ Here we focus upon individuals who have left PaCE rather than all participants

Chapter Summary

An assessment of the additionality provided by PaCE can be made by comparing the employment outcomes of PaCE participants with those of individuals with similar characteristics within the wider population.

Annual Population Survey and Labour Force Survey data are used to come up with benchmarks against which the employment outcomes of PaCE participants can be compared. Whilst there are asymmetries and limitations to the data available, they allow an understanding to be developed of the numbers and proportions of non-employed people who want to work but are prevented from doing so by childcare responsibilities.

In terms of the characteristics of non-employed parents, the analysis shows that:

- a majority of economically inactive parents with children do not want to work
- there were potentially some 23,000 to 25,000 parents who wanted to work and could have been within the scope of the programme
- there are differences in the characteristic of older and younger parents who would be eligible for PaCE
- there are also differences between those who are looking for work and those who are not due to childcare responsibilities.

Groups disproportionately represented among those not looking for work due to childcare responsibilities include:

- younger lone parents
- those with younger dependent children
- those suffering a work limiting health condition
- less well qualified individuals
- individuals with no/little recent work experience.

In terms of job outcomes, analysis of the APS and LFS would suggest that:

- individuals wanting to and looking for work are most likely to transition into employment
- those not looking for work because they are looking after the family or home are considerably less likely to enter employment
- rates of transition into employment among non-working parents differ according to a variety of personal characteristics e.g., work limiting health conditions, educational attainment levels, work experience etc.

When these findings are combined with the findings of our qualitative fieldwork with participants, we estimate that participating in PaCE has led to 26 per cent more

Priority 1 participants and 30 per cent more Priority 3 participants progressing into work than would otherwise have done. This equates to 1,567 parents up to October 2021.

5. PROGRAMME COSTS AND VALUE FOR MONEY

Introduction

- 5.1 In this chapter we consider the costs of the PaCE programme to date and how those compare to expectations. We also consider how PaCE compares to the benchmarks set and to other employability initiatives in terms of the cost of key output and outcome indicators.
- 5.2 This chapter is presented in two sections as follows:
- programme expenditure to date relative to budgets
 - value for money indicators.

Programme expenditure relative to budgets

- 5.3 Programme budgets and targets have been revised as the programme has been rolled out, with revisions being tied into programme extensions, initially in 2018/19 and again in 2021⁴⁸. In 2018, the overall budget for the programme was increased by 64 per cent and the budget was increased by a further 16 per cent in 2021 as the programme was extended to 2023. The overall budget for PaCE up to October 2023 currently stands at £24.2 million.
- 5.4 Table 5.1 shows the breakdown of costs across the two priorities up to September 2021. Priority 1 costs were pretty much in line with expectations, whilst those for Priority 3 were below the levels profiled up to that point. This was due to Priority 3 costs in East Wales falling some 30 per cent below expectations. Overall, costs to September 2021 amounted to some 69 per cent of the overall final budget.

⁴⁸ At the time of writing, revised budgets and targets had yet to be finally approved by WEFO but are used for reporting purposes below

Table 5.1: Breakdown of costs by priority as at September 2021

	West Wales and the Valleys	East Wales	Total	% of Profile to Sep21	% of Final Budget
Priority 1	£8,813,547	£4,613,805	£13,427,352	102%	69%
Priority 3	£2,360,852	£1,152,856	£3,513,708	87%	68%
Total	£11,174,399	£5,766,661	£16,941,060	98%	69%

Source: Welsh Government, December 2021

- 5.5 Whilst overall costs were broadly in line with revised expectations, there were some variations below the headline level, reflecting in part the effects of the COVID-19 pandemic. Expenditure on Barriers Fund grants exceeded 2021 revised budgets but fell substantially below 2018 expectations, as did expenditure on training, most particularly in relation to Priority 3. Whilst the revised budgets took account of the effects of the pandemic, the shortfall against earlier budgets reflects the fact that fewer participants than anticipated were engaged once the pandemic hit and also that those who were already involved with PaCE were unable to participate in activities such as in-person training, volunteering placements or to attend job interviews in person. It is also partly attributable to an increased use of the DWP Financial Support Fund to meet participant costs following the allocation of additional monies to DWP in the wake of the pandemic.
- 5.6 The bulk of the programme's costs related to staffing, however, and these costs remained throughout, albeit that advisers were partially redeployed for a period to support DWP mainstream activities to mitigate the effects of the pandemic.
- 5.7 The costs of childcare exceeded the 2021 revised budgets slightly. Childcare costs had been running even further ahead of expectations prior to the pandemic and it seems likely that the childcare budget would have come under considerable pressure by September 2021 had the pandemic not happened.

Value for money indicators for PaCE

- 5.8 Alongside increases in budgets referred to above, participant engagement profiles were increased by nine per cent overall in 2018 to reflect delivery up to that point. Engagement profiles were further adjusted in 2021, with those for West Wales and the Valleys being increased across both priorities and those for East Wales being reduced.
- 5.9 A more significant increase was made to the targets for job outcomes in 2018, at 91 per cent for Priority 1 and 113 per cent for Priority 3 of previous levels. These targets were further increased across both priorities in West Wales and the Valleys in 2021, whilst job outcomes targets for East Wales were maintained at the levels set in 2018.
- 5.10 This re-profiling exercise impacted upon key value for money indicators for PaCE, as shown in Table 5.2. Crucially, the anticipated cost per participant became higher whilst the cost per job outcome became lower.

Table 5.2: Original and revised value for money indicators for PaCE⁴⁹

	West Wales and the Valleys		East Wales		All Wales	
	Original Profile	Revised Profile ⁵⁰	Original Profile	Revised Profile	Original Profile	Revised Profile
Priority 1						
Cost per participant	£1,557	£2,798	£1,658	£3,053	£1,593	£2,883
Cost per job outcome	£7,783	£6,720	£8,298	£7,053	£7,970	£6,833
Priority 3						
Cost per participant	£1,868	£2,262	£1,677	£3,405	£1,796	£2,540
Cost per job outcome	£9,341	£5,942	£8,413	£7,444	£8,994	£6,360
Cost per progression outcome	£3,732	£5,608	£3,359	£6,783	£3,593	£5,943

⁴⁹ The calculations underlying value for money indicators are given at Annex 1

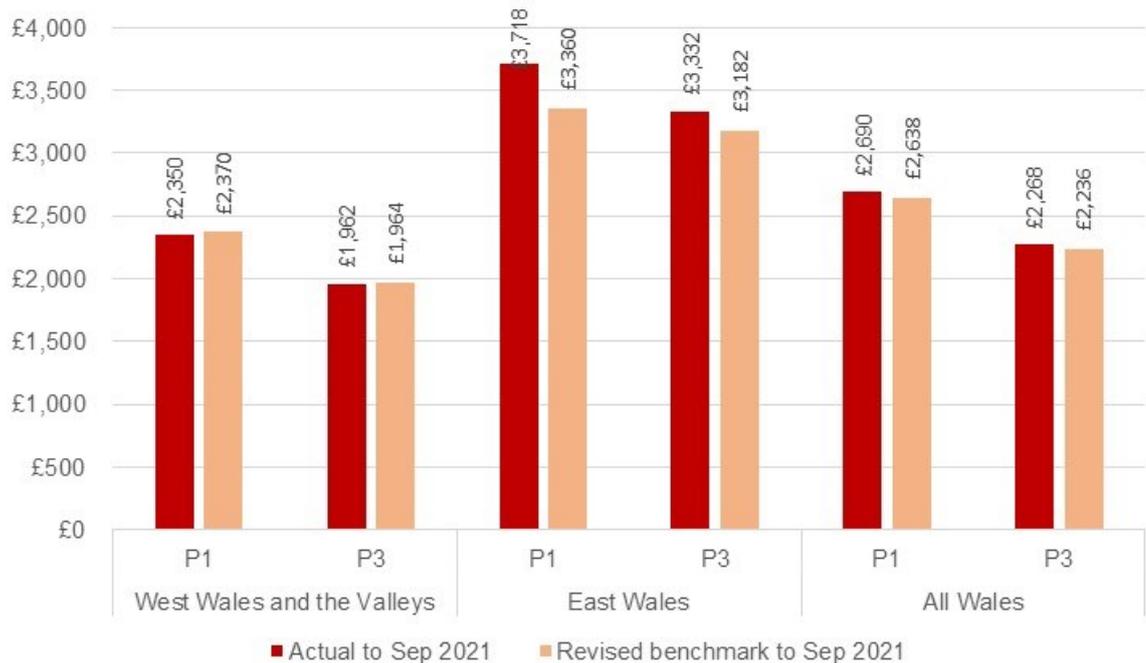
⁵⁰ The calculations are based on the 2021 revised budget, output and outcome figures

Performance to data against PaCE value for money indicators

Cost per participant

5.11 Figure 5.1 compares the anticipated cost per participant to the actual cost as at September 2021 for each priority across the two regions. It shows that the cost per participant was pretty much in line with expectations across both priorities in West Wales and the Valleys.

Figure 5.1: Comparison of anticipated and actual cost per participant



Source: Database of participants as at 31 October 2021, Expenditure reports to September 2021 and Delivery Profile 202112

5.12 The cost per participant in East Wales was higher than anticipated across both priorities, reflecting relatively weak performance in relation to engagements in that region.

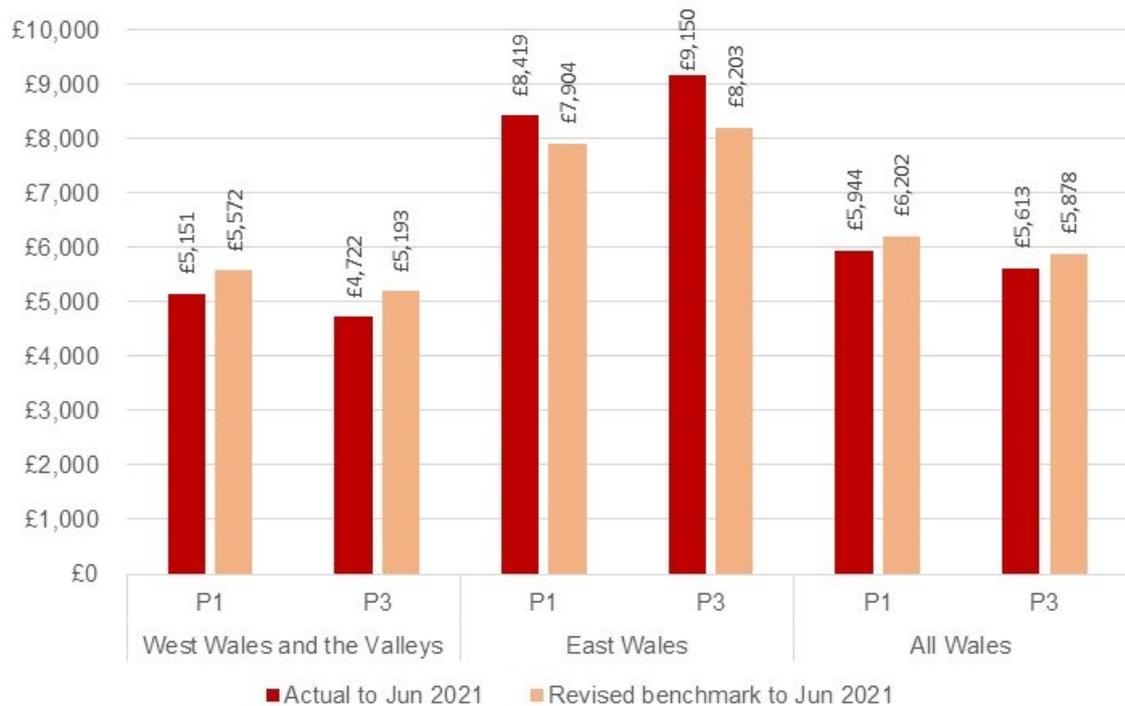
5.13 Had engagements remained at pre-Covid levels, it is likely that the overall cost per participant would be below revised expectations.

Costs per outcome

5.14 Figure 5.2 compares the anticipated cost per job outcome to the actual cost up to September 2021 for each priority across the two regions. It shows that across West Wales and the Valleys, the cost per job outcome for Priorities 1

and 3 was below that anticipated, reflecting the programme’s success in progressing participants into work in that region.

Figure 5.2: Comparison of anticipated and actual cost per job outcome



Source: Database of participants as at 31 October 2021, Expenditure reports to September 2021 and Delivery Profile 202112

- 5.15 The picture in East Wales was less encouraging, with the cost per job outcome exceeding expectations across both priorities by some way. This partly reflects the lower number of participants but also relates to the lower rates of job outcome achievement in East Wales.
- 5.16 The cost per job outcome was adversely impacted by the effects of the COVID-19 pandemic, as opportunities for participants to progress into employment became fewer. It is reasonable to assume that the cost per job outcome will come down across the board as the effects of the COVID-19 pandemic wane and the labour market opens up to former participants.
- 5.17 Given that progression into work or into education/training represent destination outcomes for Priority 3 participants, it is arguable that the cost per positive progression is a more meaningful indicator of the value provided by the programme. At an average of £5,389 per job/education/training outcome across Wales, the cost of positive progression looked a little more favourable

than that for job outcomes alone. In reality, however, very few participants have moved into education or training and the difference in cost is modest.

- 5.18 Again, the cost per progression outcome for Priority 3 participants was considerably higher in East Wales than West Wales and the Valleys, reflecting weaker performance in progressing participants both into work and into education or training.

Employability interventions and value for money

- 5.19 This evaluation does not attempt to undertake any analysis of the return on investment which the programme offers e.g. in terms of reductions in benefits claimed or increases in taxation revenues relative to the costs of the programme. It does, however, seek to provide some insight into the value which PaCE represents by comparing the costs of key output and outcome indicators to those of other employability interventions.
- 5.20 In reality, however, very few employability intervention evaluations include information that allows comparison to take place. Indeed, it was noted in the Combined Analysis of the 2009-2013 ESF Leavers Surveys that reviews of labour market programmes generally provide little ‘insight into the relative value for money of different approaches’⁵¹, citing earlier research in saying that *‘few studies include enough information to make even a crude assessment of the benefits of the programme relative to its costs. Indeed, many studies completely ignore the “cost” side of the evaluation problem’* (Card et al. 2010, pp 28-29)⁵².
- 5.21 Among the few studies that provide an insight into the comparative costs of programmes are the evaluations of the Lift⁵³ and Communities for Work (CfW)⁵⁴ programmes, which included similar and straightforward cost effectiveness analyses (CEA). Both these programmes were intended to help unemployed or economically inactive adults at some distance from the labour

⁵¹ [Combined Analysis of the 2009-2013 ESF Leavers Surveys](#), p.115

⁵² [National Bureau of Economic Research \(2010\) Active Labor Market Policy Evaluations: A Meta-Analysis. NBER Working Paper Series.](#)

⁵³ [Evaluation of the Lift Programme: final evaluation](#)

⁵⁴ [Evaluation of Communities for Work Stage 3: emerging outcomes and impacts report](#)

market to move into sustainable employment or, in the case of those aged 16-24, into education or training as a stepping stone into employment. Whilst childcare support was not a prominent feature of either of these two programmes, they shared many design features with PaCE, including a blend of mentoring, training, job search support and work placement opportunities.

- 5.22 Analysis undertaken as part of the Ex Post Evaluation of the 2007-2013 Structural Funds in Wales⁵⁵ also provide cost effectiveness data. This analysis considered a number of ESF-funded employability projects delivered between 2009 and 2013 and highlighted that projects working with participants who are furthest removed from the labour market require more intensive support to overcome complex barriers to work and, thus, have higher costs per outcome.
- 5.23 Another source of information is the Combined Analysis of the 2009-2013 ESF Leavers Surveys⁵⁶, which analysed data for 1,633 ESF survey respondents who had received employability support. This was defined as 'support for targeted groups with specific barriers to working', with projects focused on pre-employment job search and soft skills development.
- 5.24 Some of these studies provide an indication of costs per participant and all present the costs per job outcome achieved: these are summarised in Table 5.3 below. In considering these figures, however, it is worth noting that a priority paper that informed the ex-post evaluation of 2009-13 ESF programmes pointed to a range in the cost per job outcome of employability projects from £5,768 to £22,000.
- 5.25 The CfW evaluation report makes the point that jobs were only one of two destination outcome targets set for Priority 3 participants, the other being progression into education or training. A 'cost per positive progression' was, therefore, presented in respect of Priority 3 for both West Wales and the Valleys and East Wales.

⁵⁵ Welsh European Funding Office (2017) [Wales Ex Post Evaluation Priority Review paper: Increasing employment and tackling inactivity: ESF Convergence Priority 2 and ESF RCE Priority 1](#)

⁵⁶ [Combined Analysis of the 2009-2013 ESF Leavers Surveys](#)

Table 5.3: A comparison of available cost figures for employability programmes in Wales

Employability Programme	Cost per participant engaged	Cost per job outcome	Cost per positive progression
Lift	£1,219 ⁵⁷	£3,744 ⁵⁸	N/A
CfW Priority 1 – West Wales and the Valleys	£1,695 ⁵⁹	£7,232 ⁶⁰	N/A
CfW Priority 1 – East Wales	£1,717 ⁶¹	£6,110 ⁶²	N/A
CfW Priority 3 – West Wales and the Valleys	£1,088 ⁶³	£3,339 ⁶⁴	£2,803 ⁶⁵
CfW Priority 3 – East Wales	£1,440 ⁶⁶	£4,861 ⁶⁷	£4,120 ⁶⁸
ReAct	£2,795 ⁶⁹	£7,194 ⁷⁰	N/A
ESF Ex Post Evaluation Priority Paper West Wales and the Valleys average	£1,749 ⁷¹	£6,574	N/A
ESF Ex Post Evaluation Priority Paper – East Wales average	£1,714 ⁷²	£6,782	N/A
Combined Analysis of the 2009-2013 ESF Leavers Surveys	£1,661 ⁷³	£3,404 ⁷⁴	N/A

5.26 In drawing comparisons between cost effectiveness measures for PaCE and other programmes, the following should be noted:

⁵⁷ [Evaluating the Lift Programme: final evaluation report](#), p.48

⁵⁸ Ibid

⁵⁹ [Evaluation of Communities for Work Stage 3: emerging outcomes and impacts report](#), p.80

⁶⁰ [Ibid](#), p.102

⁶¹ [Ibid](#), p.80

⁶² [Ibid](#), p.102

⁶³ [Ibid](#), p.81

⁶⁴ [Ibid](#), p.102

⁶⁵ [Ibid](#), p.102

⁶⁶ Ibid, p.81

⁶⁷ [Ibid](#), p.102

⁶⁸ [Ibid](#), p.102

⁶⁹ [Evaluation of ReAct](#), p.43

⁷⁰ Ibid

⁷¹ Welsh European Funding Office (2017) [Wales Ex Post Evaluation Priority Review paper: Increasing employment and tackling inactivity: ESF Convergence Priority 2 and ESF RCE Priority 1](#), p.19

⁷² Ibid, p.20

⁷³ Ibid p.122

⁷⁴ Ibid p.122

- there are significant differences between employability interventions, for example in terms of target participant groups, programme design and the scale of intervention: PaCE is specifically targeted at individuals whose main barrier to employment is childcare and specific provision is made to meet the costs of childcare whilst parents participate in the programme and for a short period afterwards to facilitate their progression into work
- an ‘increasing employment and tackling inactivity’ Priority Paper produced as part of the Ex Post Evaluation of 2007-13 ESF Programmes in Wales⁷⁵ noted that ‘interventions adopted very different approaches to defining what was included in the costs of delivery’⁷⁶, thus making direct comparisons between projects difficult
- it is some time since the evaluation of these comparator projects and it is likely that the costs of delivery will have increased in the intervening time
- the delivery of PaCE has been significantly affected by the COVID-19 pandemic: it has not been possible for participants to engage with the programme in the ways or to the degree anticipated, or for participants to achieve the outcomes expected. However, the bulk of the programme’s costs relate to staffing, and these have remained during the pandemic period, albeit that advisers have been redeployed within DWP to help alleviate the effects of COVID-19
- PaCE is still ‘live’ at this point and it seems likely that outcomes in particular, will accelerate as the programme draws to a close.

5.27 Table 5.4 sets out the costs for PaCE as at September 2021. It shows that the cost per participant and cost per job outcome across both Priority 1 and Priority 3 is somewhat higher for PaCE than the actual costs for the comparable programmes considered.

⁷⁵ The Priority Paper synthesised the findings of the evaluations of ESF funded projects which aimed to increase employment and tackle economic inactivity during the 2007-13 European Structural Fund programming period. The paper compared key cost/value for money indicators across a number of ESF projects with similar ambitions to CfW in terms of moving unemployed and economically inactive people into work.

⁷⁶ Welsh European Funding Office (2017) [Wales Ex Post Evaluation Priority Review paper: Increasing employment and tackling inactivity: ESF Convergence Priority 2 and ESF RCE Priority 1](#), p.19

Table 5.4: Cost per participant and outcome figures for PaCE to September 2021

	Cost per participant engaged	Cost per job outcome	Cost per positive progression
Priority 1 – West Wales and the Valleys	£2,350	£5,151	N/A
Priority 1 – East Wales	£3,718	£8,419	N/A
Priority 3 – West Wales and the Valleys	£1,962	£4,722	£4,584
Priority 3 – East Wales	£3,332	£9,150	£8,415

Source: Database of participants as at 31 October 2021, Expenditure reports to September 2021 and Delivery Profile 201906

- 5.28 In part, the higher costs attaching to PaCE reflect the provision made within the programme to meet the costs of childcare: PaCE was expected to meet the costs of childcare for a far higher proportion of participants than other employability programmes. However, childcare costs represent some seven per cent of the programme’s overall costs to date and it does not, therefore, account for the whole of the difference.
- 5.29 Staff costs represent 73 per cent of the programme’s costs to September 2021 and it is possible that the higher comparative cost per PaCE participant is the result of a higher ratio of staff to participants than other programmes. Weaker engagement figures have led to disproportionate increases in budgets relative to engagement targets and this in turn, has led to an 81 per cent increase in the anticipated cost per Priority 1 participant and a 41 per cent increase per Priority 3 participant since the programme’s inception.
- 5.30 Stronger performance in terms of progression into employment means that actual costs per job outcome in West Wales and the Valleys was closer to those of other programmes and considerably lower than the costs originally anticipated. Weaker performance in East Wales means that the cost per job outcome there is considerably higher than those of other programmes and, indeed, marginally higher than those originally anticipated for PaCE.
- 5.31 Costs per participant and per outcome for PaCE have undoubtedly been affected by the COVID-19 pandemic, with fewer participants being engaged and fewer progressing into work having participated.

Chapter Summary

Programme budgets and targets have been revised as the programme has been rolled out and the timeframe extended. The final overall budget over PaCE's eight-year life-span is £24.2 million. As a result of these revisions, value for money benchmarks have changed over the life of the programme, with the anticipated cost per participant becoming higher whilst the anticipated cost per job outcome became lower.

Actual programme costs were pretty much in line with expectations to September 2021 and amounted to some 69 per cent of the overall final budget. Below the headline level, however, expenditure on childcare exceeded both original and revised expectations whilst non-childcare related expenditure (e.g. on training and other support designed to mitigate participant barriers) fell below expectations, in part reflecting the effects of the pandemic upon participants' ability to engage with in-person activities.

Overall, the anticipated cost per participant has been marginally higher than expectations and the cost per job outcome lower than the revised benchmarks to September 2021. This is true across both Priorities 1 and 3. Below the headline level, however, costs in East Wales have exceeded the benchmark, whilst those in West Wales and the Valleys have come in below the levels anticipated.

The limitations of employability intervention evaluations in general means that there is limited scope to compare the costs of these key output and outcome measures for PaCE with those of other programmes. However, comparisons with a small number of similar employability programmes show that the anticipated cost per participant across both Priority 1 and Priority 3 is somewhat higher for PaCE than those for the comparable programmes considered. This may owe something to the fact that these earlier programmes were evaluated some time ago, but also reflects the provision made within PaCE to meet the costs of childcare and a higher staff to participant ratio within PaCE than other programmes. The overall cost per outcome for PaCE is closer to those for comparable programmes. The cost per participant and per job outcome was also adversely impacted by the effects of the COVID-19 pandemic, as opportunities for participants to engage with the programme and progress into employment became fewer.

6. Conclusions

Introduction

- 6.1 In this chapter we return to the aims of the evaluation and present our conclusions in relation to:
- the extent to which PaCE has met its targets
 - the areas where PaCE has been most and least successful
 - the level of additionality provided by PaCE and deadweight⁷⁷ attached to the programme
 - the costs attached to PaCE and the value for money which the programme represents.
- 6.2 It is notable that at the time this evaluation was commissioned, PaCE was scheduled to close in March 2018. Since then, however, PaCE has been extended to October 2023 and it would, therefore, be premature to draw firm conclusions about the programme's overall effectiveness or the value for money it represents at this point.

The extent to which PaCE has met its targets and achieved its aims

- 6.3 Targets for PaCE were revised on a couple of occasions, as the life of the programme was extended, initially until March 2020 and later until October 2023. The revisions made took into account the longer timescale over which services would be delivered as well as experience of delivery.
- 6.4 Whilst overall engagement targets were only increased marginally on both occasions, job outcome targets were increased substantially, reflecting the programme's success as it was implemented.
- 6.5 Priority 3 targets in respect of the achievement of qualifications and progression into education/training were reduced to very low levels, again reflecting performance to date.

⁷⁷ By this we mean outcomes (e.g. job outcomes or qualifications achieved) that would have occurred even in the absence of the programme

Engagement targets

- 6.6 Programme engagements fell some 20 per cent below the targets set for October 2021. Engagements to October 2021 represented some 75 per cent of the overall target with some 20 per cent of the programme's life left to run⁷⁸.
- 6.7 Priority 3 engagements have fared better than those for Priority 1, albeit against more modest targets.
- 6.8 Engagements reduced sharply in the face of the COVID-19 pandemic and it is estimated that some 520 fewer people got involved with the programme between March 2020 and October 2021 than would have done in more normal times. Had the pandemic not happened, it is estimated that engagements would have reached 80 per cent of the overall programme target by October 2021, generally in line with expectations up to that point.
- 6.9 Our fieldwork would suggest that PaCE is particularly successful at engaging individuals who are either looking for work or considering doing so, quite possibly (as suggested by the Phase 1 Process and Emerging Outcomes evaluation) in anticipation of changes to their welfare benefits as their children near school age. This suggests that PaCE participants are possibly more 'work-ready' than might have been expected.
- 6.10 Given that PaCE is aimed at individuals for whom childcare responsibilities represents the major barrier to work, it may seem surprising that fewer than a fifth of participants capitalised upon the financial support on offer for childcare⁷⁹. It is also notable that participants who might be deemed to be closer to the labour market (those who are better qualified and have been out of work for shorter periods) were more likely to receive childcare support, including 'in work' support as they transition into employment.
- 6.11 To some extent, this is likely to reflect the low level of take-up of volunteering and education training opportunities (as those taking up volunteering or

⁷⁸ Whilst the programme is scheduled to run until October 2023, participants will stop being admitted in March that year.

⁷⁹ it is possible that some childcare was funded from other sources e.g. the DWP in the case of benefits claimants and further education colleges in the case of those pursuing training courses but records of any such support were not available to the research team

training opportunities often need support with childcare to enable them to do so) but might also suggest reluctance to engage with formal childcare among those furthest from the labour market. By the same token, it may also owe something to advisers helping parents to source free childcare, for example by telling them about the Childcare Offer.

Outcome targets

- 6.12 The primary aim of PaCE is to move non-working parents into employment or self-employment and performance in this regard continues to outstrip expectations across both priorities. This encouraging performance occurred despite the adverse impact of the COVID-19 pandemic, particularly during lockdown periods. Nevertheless, and whilst some ground was made up in terms of job outcomes following the loosening of restrictions in 2021, it is likely that the pandemic has cost PaCE around 170 job outcomes.
- 6.13 It is too soon to comment on the impact of the COVID-19 pandemic upon the longevity of job outcomes, though it is encouraging that a majority of individuals interviewed who had progressed into work during previous phases of fieldwork remained in employment in 2021, even if that involved moving jobs.
- 6.14 The multivariate analysis shows that those who had more recent experience of work fared better than others in terms of progressing into work, as did those in their thirties and Welsh speakers. However, job outcome performance for some sub-groups disadvantaged in the labour market fell short of the programme average, including individuals from ethnic minority communities, individuals with work limiting health conditions or disabilities, less well qualified participants and individuals who had been out of the labour market for longer than five years.
- 6.15 This would suggest that the strong job outcome performance seen is at least partly attributable to the composition of the PaCE client base, with a higher proportion of participants than might have been expected being at the 'work-ready' end of the economic inactivity spectrum.

- 6.16 In terms of the role played by various aspects of PaCE in generating job outcomes, our multivariate analysis would suggest that help in meeting childcare costs, particularly in-work support made the greatest difference, albeit that a relatively small proportion of participants capitalised upon this. It was also clear that attaining qualifications and gaining work experience through volunteering had a positive effect upon individuals' chances of finding work. The fact that the take up of such opportunities has been modest is arguably a weakness of the programme.
- 6.17 Whilst these separate elements of PaCE clearly make a difference to individuals' chances of progressing into work, the programme's success is built upon the holistic approach taken, whereby practical support (such as job search advice, financial help with childcare, opportunities to undertake training or opportunities to volunteer) form part of an integrated package alongside 'softer' aspects of the service, such as the emotional support and encouragement provided by PaCE advisers. In essence, the sum of the PaCE whole is greater than the individual parts of the programme.
- 6.18 Although job outcome performance has been encouraging, it is notable that participants tend to progress into fairly low-level and low-paid employment. Whilst former participants were generally satisfied with their jobs and earnings, most were reliant on state benefits to top up their income and the risk remains that they will continue living in in-work poverty.

Cross cutting themes

- 6.19 As an ESF-funded operation, PaCE is expected to contribute to the three cross cutting themes of equal opportunities and gender mainstreaming; sustainable development; and tackling poverty and social exclusion. PaCE essentially exists to address the (often interrelated) first and third cross-cutting themes in that it aims specifically to support people who are economically inactive or long term unemployed and young people who are NEET to engage with the labour market and, thus, move out of poverty. Given PaCE's fundamental purpose, this and previous phases of this evaluation have considered in some detail the progress made towards addressing aspects of

these cross-cutting themes (and related case level indicators adopted for the programme).

- 6.20 It was clear from our desk research and fieldwork that cross-cutting themes are embedded into the way in which PaCE is delivered. For example:
- promotional materials include images of individuals from ethnic minority communities, including posters, web-pages and the Parenting, Give it Time Facebook page
 - promotional material is produced bilingually
 - promotional materials have been developed to target specific disadvantaged groups such as Gypsies, Roma and Travellers and men
 - a cross cutting theme champion has been appointed
 - PaCE advisers received training/briefing on issues such as diversity and disability (including from the cross cutting themes champion) through team meetings/briefings and via DWP staff training programmes
 - links have been built with disability teams in JCP and with disability leads within Communities for Work teams
 - advisers have developed links with partner organisations which support, for example, people from ethnic minority communities and people facing mental health challenges.
- 6.21 Encouragingly, our research has highlighted that PaCE has, to a large degree, reached the groups intended and provided them with relevant forms of support. For example:
- the overwhelming majority of PaCE participants have been female⁸⁰
 - a majority of participants have been drawn from single adult households, with most reliant on the Universal Credit or other welfare benefits
 - a majority of participants have low skills/no or only low-level qualifications and are, therefore, at greater risk of poverty
 - Welsh speakers made up a broadly representative proportion of PaCE participants⁸¹

⁸⁰ Case level indicator: Positive action measures - women

⁸¹ Case level indicator: Activity supporting speakers of the Welsh language

- the support provided by advisers has been the mainstay of the programme and is highly valued by participants^{82 83}
- PaCE has provided help to find and meet the costs of childcare^{84 85}
- the programme has seen some limited success in supporting women into non-traditional roles^{86 87}.

6.22 However, the programme has not reached other groups in the numbers envisaged, or provided particular kinds of support to the degree that might have been expected, for example:

- a lower proportion of participants were drawn from ethnic minority communities than is the case across Welsh population as a whole⁸⁸
- participants with work limiting health conditions or disabilities made up a smaller proportion of PaCE participants than they do the wider population of economically inactive carers⁸⁹
- both these groups have been less likely to progress into work
- less use has been made of Welsh as a medium of service delivery than might be expected⁹⁰
- few participants have taken up volunteering opportunities⁹¹.

6.23 It is more difficult to say that attention was given the development of an organisational travel plan and sustainable transport initiatives, though PaCE advisers generally work from JCP offices and community settings, thus minimising the demands upon participants to travel significant distances. It is also worth noting that the COVID-19 pandemic led to greater use being made of Microsoft Teams for communications and this, undoubtedly will

⁸² See, for example, the case study set out in the [Phase 2: Experience and Outcomes Evaluation Report](#), p.38

⁸³ Case level indicator: Mentoring/advocacy activity

⁸⁴ See, for example, the case studies set out in the [Phase 1: Process and Outputs Evaluation Report](#), p.48 and the [Phase 2: Experience and Outcomes Evaluation Report](#), p.35

⁸⁵ Case level indicator: Childcare provision

⁸⁶ See, for example, the case studies set out in the [Phase 1: Process and Outputs Evaluation Report](#), p.81 and the [Phase 2: Experience and Outcomes Evaluation Report](#), p.44

⁸⁷ Case level indicator: Occupational segregation activity

⁸⁸ Case level indicator: Positive action measure – BME people

⁸⁹ Case level indicator: Positive action measure – disabled people

⁹⁰ Case level indicator: Activity supporting speakers of the Welsh language

⁹¹ Case level indicator – Volunteering schemes

have reduced the travelling done by programme staff. Similarly, the pandemic led to greater use being made of on-line and blended learning, again reducing the need for participants and/or course tutors to travel.

6.24 In addressing these cross-cutting themes, PaCE also contributes towards the realisation of aspects of the Welsh Government's Wellbeing of Future Generations goals. For example:

- it has supported participants to gain the qualifications and skills needed to secure employment, albeit that the achievement of qualifications has not been as prominent a feature of the programme as originally anticipated^{92, 93}
- it had supported 2,885 individuals into work: whilst most remained reliant on state benefits to top up their earned income, individuals were overwhelmingly better off in work^{94 95}
- it has helped give some participants a greater sense of purpose and fulfilment and improved some participants' mental health^{96 97}.

Areas where PaCE has been most and least successful

6.25 Participant engagements have been stronger in West Wales and the Valleys than they have in East Wales. However, there have been considerable variations in the numbers of participants engaged across local authority areas. Whilst these differences may be partly attributable to the point at which the programme was launched in different areas, this is likely to have diminished over time. Areas which appear to have sustained stronger performance in terms of participant engagement, and from which lessons might be learnt, are Carmarthenshire and Rhondda Cynon Taf. Engagements continue to be weaker in Caerphilly and Newport.

⁹² A prosperous Wales

⁹³ A more equal Wales

⁹⁴ A prosperous Wales

⁹⁵ A resilient Wales

⁹⁶ This is discussed in the [Phase 1: Process and Outputs Evaluation Report](#), p.95

⁹⁷ A healthier Wales

6.26 Strong performance in terms of engagements does not always translate into strong job outcome performance, however. In Pembrokeshire, for example, job outcome performance has been below targeted levels, despite strong performance in engaging participants. In Monmouthshire and Gwynedd, on the other hand, where engagement performance has been more subdued, job outcome performance has outstripped expectations by a considerable margin, even when account is taken of participants' characteristics.

Additionality and deadweight attached to PaCE

6.27 We have sought to draw comparisons between the characteristics and employment trajectories of PaCE participants and the wider population who would be eligible for PaCE support. This has involved comparing PaCE administrative data with data about comparable individuals derived from the APS and LFS. Whilst there are limitations to this approach (e.g. differences in the levels of detail available via the APS and LFS and the small sample sizes available for Wales within the LFS), the analysis provides an indication of the programme's reach and the difference made to individuals' employment trajectories (additionality) by participating in PaCE. It also provides an estimate of the extent to which individuals would have progressed into work had they not participated in PaCE (deadweight).

6.28 In terms of the programme's reach, some six per cent of potentially eligible individuals in Wales engaged with PaCE each year prior to the pandemic. This level of engagement falls broadly in line with the target engagement level (of 94 participants a month) implied by the latest revision of the programme targets but falls considerably short of the engagement levels implied by the original or first revised engagement targets. Given the effects of the pandemic, engagement levels will need to increase to some 124 a month if the programme is to reach the overall participant numbers aimed for by March 2023. Whilst this will require a clear step up in current engagement levels, it is within reach of those seen in the year before COVID-19 struck.

6.29 Analysis of the APS shows that the highest rates of transition into employment can be expected among individuals who want to work and are seeking work. Lower transition rates can be expected among those not looking for work

because of childcare responsibilities and the lowest rates can be expected among those who do not want to work. The analysis also shows that those with higher levels of educational attainment and those with recent work experience are more likely to transition into work.

- 6.30 When account is taken of attitudes to work among participants who contributed to our fieldwork, it would appear that PaCE accounts for 26 per cent more Priority 1 participants entering employment than would otherwise have been the case and 30 per cent Priority 3 participants doing so. We estimate that 1,567 more people progressed into work as a result of participating in PaCE than would have done so otherwise.

Costs and value for money

Costs

- 6.23 Notwithstanding that there were some variations across the four operations, overall programme costs were pretty much in line with revised expectations to September 2021. Given that staff costs make up the bulk of programme expenditure, this is not altogether surprising, but other programme costs have been less predictable over the life of the programme. Childcare costs initially fell short of budgeted levels but have exceeded expectations since 2018, even though fewer than a fifth of participants have received financial help with childcare. Participant training and incidental costs have been lower than originally expected and were further reduced by the effects of the COVID-19 pandemic. The allocation of additional funding to the DWP's Financial Support Fund also reduced the pressure on PaCE budgets.
- 6.24 By September 2021, overall costs stood at some 69 per cent of the final budget, at a point some 76 per cent through the life of the programme.

Value for money

- 6.25 It was recognised from the outset that it would not be realistic to assess the return on investment to the exchequer offered by PaCE and that any assessment of value added would be confined to comparing the costs of key output and outcome indicators for PaCE to those of other employability programmes. However, very few employability intervention evaluations

provide this kind of analysis and the scope for comparison is, therefore, limited. Furthermore, there are differences in the focus, design and scale of employability interventions, with the level of support offered with childcare being a unique feature of PaCE. It also needs to be remembered that the implementation of PaCE was severely affected by the advent of the COVID-19 pandemic.

- 6.26 Accepting these caveats, the costs per participant have been pretty much in line with revised expectations across both priorities, but somewhat higher than the original benchmarks set and the costs evaluations of other programmes suggest might be appropriate. Whilst it is possible that the cost per participant will reduce slightly as engagements return to more normal levels, post pandemic, it is likely that the cost per participant for PaCE will remain on the high side. The additional costs of childcare attached to PaCE go some way to explaining this difference but it is likely to owe more to a low participant to adviser ratio, linked fewer participants being engaged than originally envisaged, including as a result of the pandemic. The anticipated costs per participant has become higher in general as a results of programme extensions which have involved budget increases disproportionate to the increases to the engagement targets set.
- 6.27 Overall, the costs per job outcome achieved have also been in line with revised expectations but are considerably lower than the benchmarks originally set for PaCE. This is undoubtedly attributable to PaCE's success in progressing participants into work.
- 6.28 Below the headline level, however, the costs in East Wales are substantially higher than those in West Wales and the Valleys, reflecting weaker job outcome performance in that region. Whilst the costs per job outcome in West Wales and the Valleys fits within the range which evaluations of other programmes suggest might be expected, the costs in East Wales are substantially higher.
- 6.29 Overall then, the picture is mixed when assessing the value for money which PaCE represents. It appears in the first instance considerably more costly than other programmes in terms of outputs (participants engaged) and

marginally more costly terms of job outcomes, with the picture in East Wales possibly giving some cause for concern. It is likely, however, as the programme moves into more normal times before drawing to a close, that job outcome numbers will increase further relative to participant numbers and, thus, help bring down the final cost per job outcome.

- 6.30 Whilst it was never the intention to carry out a cost benefit analysis for PaCE, it should be noted that PaCE participants are relatively young people (with a median age of 29 years) and assuming that those achieving job outcomes remain in work, the benefits to both these individuals and to the exchequer should be significant over time. Furthermore, it is arguable that PaCE's focus on moving non-working parents into employment will help to improve their children's life prospects and prevent inter-generational worklessness.

Annex 1: Engagements by Selected Personal Characteristics (%)

	Priority 1			Priority 3			Total
	West Wales and Valleys	East Wales	All	West Wales and Valleys	East Wales	All	
Gender							
Female	93.1	95.3	93.6	97.5	98.8	97.8	94.6
Male	6.9	4.8	6.4	2.5	1.2	2.2	5.4
Lone Parent							
No	18.6	17.4	18.3	19.2	12.4	17.7	18.2
Yes	81.4	82.6	81.7	80.8	87.6	82.3	81.8
Age Band							
16-20yrs				9.8	12.7	10.5	2.5
20-25yrs				90.2	87.3	89.5	21.2
25-30yrs	38.9	35.0	37.9				28.9
30-35yrs	30.1	30.5	30.2				23.1
35-40yrs	18.3	18.9	18.4				14.1
40-45yrs	8.2	10.5	8.7				6.7
45-50yrs	3.5	4.0	3.7				2.8
50+ yrs	1.1	1.1	1.1				0.8
BME Background							
No	97.5	93.5	96.5	98.9	96.8	98.5	97.0
Yes	2.5	6.5	3.5	1.1	3.2	1.6	3.0
Work Limiting Health Condition							
No	84.0	89.6	85.4	89.3	92.5	90.0	86.5
Yes	16.0	10.4	14.6	10.7	7.5	10.0	13.5
Existing Qualification Level							
None	7.4	6.6	7.2	7.2	9.3	7.6	7.3
< Level 2	16.3	22.4	17.8	23.0	31.5	24.9	19.5
Level 2	42.1	39.6	41.5	51.2	45.1	49.8	43.5
Level 3	21.5	18.3	20.7	15.5	11.9	14.7	19.3
Level 4+	12.7	13.1	12.8	3.1	2.3	2.9	10.5
Welsh Speaker							
No	80.0	94.3	83.5	77.3	91.9	80.6	82.8
Yes	20.0	5.7	16.5	22.7	8.1	19.4	17.2
Length of Non-Employment							
Less than 1 year	28.9	23.3	27.5	23.9	19.4	22.9	26.4
1-5 years	41.2	48.4	43.0	59.6	65.6	60.9	47.2
5 years or more	29.9	28.3	29.5	16.5	15.0	16.1	26.3
Total	100	100	100	100	100	100	100
Population	3,751	1,241	4,992	1,203	346	1,549	6,541

Source: Database of participants as at 31 October 2021

Annex 2: Receipt of Childcare by Selected Personal Characteristics (%)

	Priority 1	Priority 3	Total
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	West Wales and Valleys	East Wales	All	West Wales and Valleys	East Wales	All	
Gender							
Female	18.2	23.5	19.5	16.5	21.6	17.7	19.1
Male	6.6	22	9.4	10	0	8.8	9.4
Lone Parent							
No	24.2	30.6	25.7	19.5	25.6	20.4	24.5
Yes	15.8	22	17.3	15.6	20.8	16.9	17.2
Age Band							
16-20yrs				17.8	25	19.8	19.8
20-25yrs				16.2	20.9	17.2	17.2
25-30yrs	18.8	23.3	19.8				19.8
30-35yrs	18.1	26.1	20.1				20.1
35-40yrs	17.8	23	19.1				19.1
40-45yrs	11.4	18.5	13.5				13.5
45-50yrs	10.6	20	13.2				13.2
50+ yrs	4.9	23.1	9.3				9.3
BME Background							
No	17.1	24	18.7	16.4	21.5	17.5	18.4
Yes	28	16	22.4	15.4	18.2	16.7	21.7
Work Limiting Health Condition							
No	17.9	23	19.2	15.3	20.9	16.6	18.6
Yes	14.5	27.1	16.7	25.6	26.9	25.8	18.3
Existing Qualification Level							
None	13.7	23.2	15.8	9.3	25	13.6	15.3
< Level 2	13.4	17.3	14.6	14.8	17.4	15.5	14.9
Level 2	16.5	23	18	15.9	20.5	16.8	17.7
Level 3	21.1	28.5	22.8	22.3	30.6	23.8	23
Welsh Speaker							
No	17	23.2	18.8	16.2	20.8	17.4	18.5
Yes	18.6	26.8	19.3	16.8	28.6	17.9	19
Length of Non-Employment							
Less than 1 year	18.5	23.2	19.4	18.1	26.9	19.7	19.5
1-5 years	19.6	26.5	21.5	17.2	21.6	18.2	20.5
5 years or more	13.2	18.5	14.5	11.1	13.5	11.6	14
Total Population	17.4 3,751	23.4 1,241	18.9 4,992	16.4 1,203	21.4 346	17.5 1,549	18.5 6,541

Source: Database of participants as at 31 October 2021

Annex 3: Employment Outcomes by Selected Personal Characteristics (%)

	Priority 1			Priority 3			Total
	West Wales and Valleys	East Wales	All	West Wales and Valleys	East Wales	All	
Gender							
Female	45.3	44.4	45.1	41.7	36.5	40.5	44.0
Male	49.4	39.0	47.5	36.7	25.0	35.3	46.3
Lone Parent							
No	43.9	50.5	45.5	42.0	44.2	42.3	44.7
Yes	46.0	42.8	45.2	41.5	35.3	40.0	44.0
Age Band							
16-20yrs				36.4	40.9	37.7	37.7
20-25yrs				42.1	35.8	40.7	40.7
25-30yrs	44.7	44.9	44.7				44.7
30-35yrs	46.9	43.0	46.0				46.0
35-40yrs	47.6	46.8	47.4				47.4
40-45yrs	42.5	40.8	42.0				42.0
45-50yrs	43.2	42.0	42.9				42.9
50+ yrs	41.5	46.2	42.6				42.6
BME Background							
No	45.6	44.8	45.4	41.5	37.0	40.6	44.2
Yes	47.3	34.6	41.4	46.2	18.2	33.3	40.4
Work Limiting Health Condition							
No	48.2	46.0	47.6	41.7	37.2	40.7	45.9
Yes	32.0	28.7	31.4	40.3	26.9	38.1	32.6
Existing Qualification Level							
None	40.3	41.5	40.6	29.1	28.1	28.8	37.7
< Level 2	39.0	38.1	38.7	31.0	33.9	31.9	36.6
Level 2	42.3	44.4	42.8	44.0	37.8	42.7	42.8
Level 3+	54.1	48.7	52.8	52.7	42.9	50.9	52.5
Welsh Speaker							
No	44.1	43.7	44.0	39.9	36.5	39.0	42.8
Yes	51.7	52.1	51.7	47.3	35.7	46.2	50.2
Length of Non-Employment							
Less than 1 year	56.5	54.7	56.1	56.6	35.8	52.7	55.4
2-5 years	44.2	42.4	43.7	38.5	35.2	37.7	41.9
5 years or more	37.1	38.5	37.4	30.8	42.3	33.2	36.8
Total	45.6	44.2	45.3	41.6	36.4	40.4	44.1
Population	3,751	1,241	4,992	1,203	346	1,549	6,541

Source: Database of participants as at 31 October 2021

Annex 4: Employment Outcomes by Selected Programme Characteristics (%)

	Priority		Programme Area		Total
	Priority 1	Priority 3	West Wales and Valleys	East Wales	
Work Related Certification Achieved					
No	46.5	41.1	46.3	42.0	45.2
Yes	48.0	44.2	45.7	53.6	47.2
Qualification Achieved					
No	45.2	40.2	44.7	42.0	44.0
Yes	45.4	44.6	43.3	48.7	45.3
Completed Volunteering Opportunity					
No	44.5	39.9	43.9	41.6	43.4
Yes	57.2	49.4	56.7	52.8	55.5
All Childcare					
No	42.3	38.4	42.3	38.1	41.3
Yes	58.1	49.8	55.9	57.0	56.2
In-Work Childcare					
No	42.4	38.0	42.0	39.2	41.4
Yes	90.0	84.8	88.4	90.3	88.9
Other Childcare					
No	45.6	41.1	45.2	42.2	44.5
Yes	43.1	35.4	40.2	43.9	41.4
Total	45.3	40.4	46.2	43.1	45.4
Population	4,992	1,549	4,954	1,587	6,541

Source: Database of participants as at 31 October 2021

Annex 5: APS Data

Table A4.1: Observations in the APS Sample

Country	Main LFS Sample			Enhanced Sample				Total
	Wave 1	Wave 5	Total	Yr 1	Yr 2	Yr 3	Yr 4	
England	540,975	404,414	945,389	244,986	193,792	176,052	162,813	777,643
Wales	31,809	24,130	55,939	63,232	54,087	50,153	46,742	214,214
Scotland	55,543	40,663	96,206	66,399	55,004	50,906	48,116	220,425
Total	628,327	469,207	1,097,534	374,617	302,883	277,111	257,671	1,212,282

Table A4.2: Years Present in APS Sample (individuals)

	Main LFS Sample				Enhanced Sample			Total
	England	Wales	Scotland	Total	England	Wales	Scotland	
Years Present								
1	409905	23958	42020	475883	178427	44312	46388	269127
2	269924	16111	27293	313328	97078	26310	27088	150476
3					62525	18002	18596	99123
4					56547	16393	16535	89475
Total	679,829	40,069	69,313	789,211	394,577	105,017	108,607	608,201

Table A4.3: Individuals in the APS Sample who Represent Potential PaCE Client Base

	Main LFS Sample				Enhanced Sample			Total
	England	Wales	Scotland	Total	England	Wales	Scotland	
Years Present								
1	18695	995	1555	21245	10795	2397	1963	15155
2	12274	654	984	13912	5279	1202	893	7374
3					2915	646	520	4081
4					1742	374	324	2440
Total	30,969	1,649	2,539	35,157	20,731	4,619	3,700	29,050

Annex 6: Underlying calculations for value for money indicators

Priority 1

	West Wales and Valleys				East Wales				All Wales			
	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021
Output/outcomes												
1 Participants	4,309	4,500	3,644	3,751	2,457	2,241	1,350	1,241	6,766	6,741	4,994	4,992
2 Outcome: entering employment including self-employment upon leaving	862	1,874	1,550	1,711	491	970	574	548	1,353	2,844	2,124	2,259
3 Outcome: engaged in job search upon leaving	1,077				614				1,691			0
4 Outcome: gaining a qualification or work relevant certification upon leaving	1,077				614				1,691			0
5 Outcome: increasing employability through completing work experience placement or volunteering opportunity	1,293				737				2,030			0
Costs												
Total operation cost	£6,709,701	£12,592,841	£8,636,131	£8,813,547	£4,074,421	£6,841,394	£4,536,661	£4,613,805	£10,784,122	19,434,234	£13,172,792	£13,427,352
Value for Money Indicators												
Cost per participant	£1,557.14	£2,798.41	£2,369.96	£2,349.65	£1,658.29	£3,052.83	£3,360.49	£3,717.81	£1,593.87	£2,882.99	£2,637.72	£2,689.77
Cost per job outcome	£7,783.88	£6,719.77	£5,571.70	£5,151.11	£8,298.21	£7,052.98	£7,903.59	£8,419.35	£7,970.53	£6,833.42	£6,201.88	£5,943.94

Priority 3

	West Wales and Valleys				East Wales				All Wales			
	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021	Original Profile 2015-20	Revised Profile 2015-2023	Revised Profile 2015-Sep 2021	Actual to Sep 2021
Output/outcomes												
1 Participants	945	1,542	1,211	1,203	567	494	348	346	1,512	2,036	1,559	1,549
2 Outcome: gaining qualifications upon leaving	236	96	42	47	142	49	24	18	378	145	66	65
3 Outcome: in education or training upon leaving	284	35	16	15	170	22	11	11	454	57	27	26
4 Outcome: entering employment upon leaving	189	587	458	500	113	226	135	126	302	813	593	626
Outcome: entering employment, education or training upon leaving	473	622	474	515	283	248	146	137	756	870	620	652
Costs												
Total operation cost	£1,765,582	£3,488,157	£2,378,319	£2,360,852	£950,698	£1,682,286	£1,107,406	£1,152,856	£2,716,280	£5,170,443	£3,485,725	£3,513,708
Value for Money Indicators												
Cost per participant	£1,868.34	£2,262.10	£1,963.93	£1,962.47	£1,677	£3,405	£3,182.20	£3,331.95	£1,796	£2,540	£2,235.87	£2,268.37
Cost per job outcome	£9,341.70	£5,942.35	£5,192.84	£4,721.70	£8,413	£7,444	£8,203.01	£9,149.65	£8,994	£6,360	£5,878.12	£5,612.95
Cost per progression outcome	£3,732.73	£5,607.97	£5,017.55	£4,584.18	£3,359	£6,783	£7,584.97	£8,415.01	£3,593	£5,943	£5,622.14	£5,389.12

Annex 7: Case Level Indicators and Wellbeing of Future Generations Goals

Case Level Indicators for all four PaCE operations

Equal Opportunities and Gender Mainstreaming	Positive action measures - women
	Positive action measure - BME people
	Positive action measure - disabled people
	Occupational Segregation activity
	Activity supporting speakers of the Welsh Language
	Childcare provision
Tackling Poverty and Social Exclusion	Mentoring / advocacy activity
	Volunteering schemes
	Equal Pay activity
Sustainable Development	Development of an organisational travel Plan and sustainable transport initiatives
Cross Cutting Themes General	Developing / engaging CCT champions
	CCT staff training programme introduced.

WBFG Goals

A prosperous Wales
A resilient Wales
A more equal Wales
A healthier Wales
A Wales of cohesive communities
A Wales of vibrant culture and thriving Welsh Language
A globally responsible Wales

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