



Cynulliad Cenedlaethol Cymru The National Assembly for Wales

Y Pwyllgor Menter a Busnes The Enterprise and Business Committee

**Dydd Iau, 6 Tachwedd 2014
Thursday, 6 November 2014**

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These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Rhun ap Iorwerth	Plaid Cymru The Party of Wales
Jeff Cuthbert	Llafur Labour
Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru The Party of Wales
William Graham	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Gwenda Thomas	Llafur Labour
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Claire Flood-page	Swyddfa Archwilio Cymru Wales Audit Office
Efa Gruffudd Jones	Prif Weithredwr, Urdd Gobaith Cymru Chief Executive, Urdd Gobaith Cymru
Steve Martin	Rheolwr Prosiect, Swyddfa Archwilio Cymru Project Manager, Wales Audit Office
Martin Nicholls	Prif Swyddog Gweithredu, Gwasanaethau Adeiladu ac Eiddo Corfforaethol, Cyngor Dinas a Sir Abertawe Chief Operating Officer, Corporate Building and Property Services, City and County of Swansea Council
Yvonne Rodgers	Cyfarwyddwr, Barnardo's Cymru Director, Barnardo's Cymru
Wendy Rees	Uwch Bartner Busnes Adnoddau Dynol, BBC Cymru Senior HR Business Partner, BBC Wales
Richard Spear	Prif Weithredwr, Gyrfaoedd Cymru Chief Executive, Careers Wales
Elizabeth Stokes	Rheolwr Learning 4Life, Llamau Learning 4Life Manager, Llamau
Andrew Viazani	Pennaeth Recriwtio, Admiral Head of Recruitment, Admiral

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Michael Dauncey	Y Gwasanaeth Ymchwil Research Service
Andrew Minnis	Y Gwasanaeth Ymchwil Research Service
Claire Morris	Ail Glerc Second Clerk
Siân Phipps	Clerc Clerk
Ben Stokes	Y Gwasanaeth Ymchwil Research Service
Anne Thomas	Y Gwasanaeth Ymchwil Research Service
Richard Watkins	Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 09:30.
The meeting began at 09:30.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **William Graham:** Good morning and welcome to this meeting of the Enterprise and Business Committee. I welcome Members and members of the public. The meeting is bilingual. Headphones can be used to hear a simultaneous translation from Welsh to English on channel 1 or for amplification on channel 0. The meeting is being broadcast, and a transcript of proceedings will be published later. I remind Members and particularly witnesses that there is no need to touch the microphones, as they should come on automatically. In the event of a fire alarm, I ask people to follow directions from the ushers. Today, we have apologies from Byron Davies, Keith Davies and from Gwenda Thomas.

[2] I apologise to the committee that we are unable to go ahead with the interview with GISDA from Colwyn Bay owing to technical difficulties. It was keen to give us evidence and that will probably now have to be by written submission.

09:31

Ymchwiliad i Helpu Pobl Ifanc i Gael Gwaith—Sesiwn 1 Inquiry into Assisting Young People into Work—Session 1

[3] **William Graham:** If we could look, please, at the questions for today. We welcome Steve and Claire. Could you give your names and titles for the record, please?

[4] **Mr Martin:** Yes, I am Stephen Martin. I am a project manager with the Wales Audit Office.

[5] **Ms Flood-page:** I am Claire Flood-page from the Wales Audit Office.

[6] **William Graham:** Thank you very much. Perhaps we could now look at the first question, which is from Mick.

[7] **Mick Antoni:** First, thank you for your report and the evidence, which is interesting. It is a very difficult area to analyse and look at. I would like to ask a little bit, just so that I have an understanding of some of the points that you are making. The methodology that has been used to come to some of the conclusions that you have seems to be based on a

summary and review of literature, a number of interviews with local government officials, and then a focus group of experts and attending a few sessions. How comprehensive has this review been? Is it little more than basically an overview of the work that has been under way in trying to analyse unemployment and training in these areas?

[8] **Mr Martin:** I think that the role of the auditor general is to look at the effectiveness of the Welsh Government. We looked at the fact that, over the last few years, there have been several policy documents, strategies and action plans in this area without a significant improvement in the data. So, the start point was to see whether the Welsh Government had in place a policy and approach that it was actually implementing. We have come at it from that level, if you like, rather than looking at the ground, at individual projects or the circumstances of individual young people and working up from there. So, the role was to see whether there is an effective policy in place and then, with our local authority interviews and work, to see how well placed they were to begin to implement that policy. During the time in which we began scoping the work, the framework was developed and published, so we were looking to see whether local authorities had this as a priority, had effective partnerships in place and were likely to make progress. So, it has been at that fairly high level, rather than individual projects.

[9] **Mick Antoniw:** So, in other words, it is more like a review as to where we are, with the statistics and so on that are there, but you have supplemented it a bit with a certain amount of groundwork. I would like to ask about the meetings that you had with employers, participants, and so on. Did that contribute anything to the ultimate conclusions, or was that just about getting a feel for what was happening on the ground?

[10] **Mr Martin:** Largely the latter. In particular, we were focusing, with our review of councils, on the role of councils in bringing together such partnerships and such relationships.

[11] **Mick Antoniw:** There are some very interesting comments on the 16 to 18-year-old position juxtaposed with the 19 to 24-year-olds. Of course, one of the major conclusions that you come to, which is an important one for us to consider in scrutinising the effectiveness of Government policy, is that you say that the Welsh Government is well placed to help to reduce the numbers of 16 to 18-year-olds who are not in education, employment and training, but is less well placed to reduce the number of 19 to 24-year-olds who are not in education, employment and training. You then produce a number of charts that show the fluctuations over the last decade or so. Can you explain that conclusion? One can take the statistics and say, 'The statistics speak for themselves', but you come to a very specific conclusion, saying that the Government is not well placed. I am not quite sure what you mean when you say 'well placed'. Is there a failure of policy or a failure of focus or finance, or whatever?

[12] **Mr Martin:** Some of the elements of the framework are specific to the 16 to 18-year-old age group. Some of the partners involved are different, so for the 16 to 18-year-olds, there is a heavy involvement with schools and local authorities, and for the older age group, the engagement with employers, work-based trainers and other agencies is more important, as is the work with the Department for Work and Pensions and its agencies. We found that those relationships were less strong and in some cases were not so good. So, those relationships need to be different. The approach that is taken in the framework is actually quite a resource-intensive approach, with support workers being allocated to individual children and young people who are identified as being most in need. It is not at all clear that the resources are in place to continue that approach post 18. So, the partnerships are a key thing. The resource is a key element where we thought that there was less strength in relation to the 19 to 24-year-olds.

[13] **Mick Antoniw:** Okay. If we take those two areas, we have partnerships and resources. Excuse me; I seem to have a bit of a cold. As I was going through the report, I was

trying to do some analysis, because it is an important point in terms of the relationship between resources and actual outcomes. Did you find a correlation between the amount of resources that were put into the one sector as opposed to the other and the actual outcomes themselves? Can you make that clear conclusion?

[14] **Mr Martin:** No. At the point in time when we were doing the work, it was not appropriate to do so because the new framework was being brought into place. So, we do not yet have a track record or experience of following that framework through to be able to do that.

[15] **Mick Antoniw:** So, there could be a whole variety of factors that indicate why, once you have come out of the 16 to 18 period and you are actually an adult in the labour market, or whatever, the situation changes.

[16] **Mr Martin:** Yes.

[17] **Mick Antoniw:** Is that an area that you think the Welsh Government needs to explore further?

[18] **Mr Martin:** Yes, and we have encouraged it to do so.

[19] **Mick Antoniw:** Okay. Thank you. I think that is all I wanted to ask.

[20] **William Graham:** Thank you very much, Mick. Jeff?

[21] **Jeff Cuthbert:** On the 19 to 24 age group, I am aware, of course, that here there has to be a good relationship between the Welsh Government's programmes and the DWP's Work Programme, for example. To what extent did you find that that relationship was not as good as it ought to be, and did that vary in different parts of Wales?

[22] **Ms Flood-page:** Yes, we did look at this with the DWP and in our local work. There were examples where local authorities had moved their focus away from 16 to 18-year-olds and were beginning to think about how they could extend this work with the older groups. Some areas—I think Swansea is one of them—have done quite a lot of work around improving how they manage that transition at 18, as young people move into adult benefits and an adult system, where the support is provided by Jobcentre Plus and the DWP in that way. So, we found examples of that.

[23] We also found examples where there was very little of that joint working. I think there is work led by the DWP to make that approach more consistent across Wales. At the time we wrote this report, that was relatively embryonic because, obviously, the relationship between the Welsh Government and the DWP has been under scrutiny and evolving during the later period that we were working on this project. However, we have had examples of councils that were beginning to engage more, some that engaged well and some where that work was not really developed.

[24] **Jeff Cuthbert:** Okay—

[25] **Mr Martin:** I will just add that we found differences in the understanding of local councils about their statutory responsibility and the priority that they gave to different age groups, and that affected some of the strength of the partnership working. So, councils were much clearer about their leadership role in providing effective youth services that helped people into employment at a younger age than an older age. The other thing perhaps to mention is one of the more practical issues, which is about data sharing, in that that was better developed at the younger age group than in the over-18 age group, where much more work is

needed to develop the data sharing that is necessary with the DWP.

[26] **Jeff Cuthbert:** Thank you for that. I know from another life that the issue of data sharing is a very pressing issue.

[27] **Ms Flood-page:** I think that is under review. Some of the actual barriers to data sharing are currently being reviewed because they may not be as great as they seem.

[28] **Jeff Cuthbert:** I am pleased to hear that and we will wait to see. However, clearly for the young person who is looking for work, aged 19 to 24, let us say, they are not particularly worried about whether it is DWP or Welsh Government—they want work and they want training and who provides it, in that sense, is not an issue for them, but it is for us. Therefore, good relationships are very important.

[29] If I may I will move on, therefore, to the role of local authorities in all of this. In terms of your work, were you able to identify areas in which local authorities needed to improve their relationship with other key partners like the careers service and the youth service, which is a very important part of the framework that is in here? I know that some councils are doing very well—Caerphilly County Borough Council with its passport scheme is a good example to other authorities, where through joint working they are finding opportunities for young people to progress and to get work. To what extent did you find that that type of approach, not necessarily exactly the same type of scheme, but that approach towards joint working is going to be replicated by other local authorities? One point that you make is that some local authorities are reporting difficulties in engaging with employers, by which I assume we mean private sector employers as well as themselves or other public sector employers. What is the nature of those difficulties? There are a few points there.

[30] **Mr Martin:** Working backwards, on the nature of the difficulties, on one level, it is the extent of initiative, ambition and priority that are given to it. As I mentioned earlier, some councils are putting much more focus on the younger age and have put less focus on working on the older age, and with that goes the relationship with employers. I suppose that we found inconsistency and I am not sure that we actually went far enough to be able to give the reasons for that inconsistency. I think that in Flintshire, for instance, there is a good track record of engagement with employers across a whole number of fronts, but its location history and the way in which it works might be different to other authorities. We did not go into enough detail really to give a lot of background as to why there was the difficulty.

[31] It is probably worth mentioning that we did not do field work in all 22 authorities. We set out and identified eight authorities, plus Swansea and Wrexham, where there had also already been some evaluation and research, and then Ceredigion sought to come into our programme. So, we took, if you like, a sample of local authorities and have drawn from that. We cannot give you details from all 22, other than in anything for which there is a data breakdown.

09:45

[32] **Jeff Cuthbert:** Okay, but I assume that you selected the eight authorities with a reasonable geographic spread and socioeconomic spread.

[33] **Mr Martin:** Yes.

[34] **Jeff Cuthbert:** You took those into account. So, you are able, I assume, to paint a general picture of local authorities that is very mixed, from what you are saying. So, in terms of anything to follow that up, I do not know whether you went to Caerphilly—you have mentioned Caerphilly.

[35] **Ms Flood-page:** We did.

[36] **Jeff Cuthbert:** You did go to Caerphilly. Right. What were your conclusions specifically on the passport programme and how well that could be utilised elsewhere in Wales?

[37] **Mr Martin:** You may not welcome this, but I am not sure that we would give a categorical judgment on one particular approach; we have given a general encouragement to it. We think that there needs to be a much better consistency of the evaluation of the initiatives and projects in the different authorities. At the moment, evaluation is often done on an individual basis, either through the funding regime or separately, and evaluation will be carried out, but there is very little in the way of comparative evaluation that enables different approaches to be put alongside each other and judged, not only for their individual effectiveness, but for their value for money as well. We think that there is quite a lot of work to be done in that area. At the moment, the best thing is to get the stakeholders together to share that good practice and to compare and to help them to learn from each other. However, the consistency of evaluation would be a great help.

[38] **William Graham:** Joyce is next and then Nick.

[39] **Joyce Watson:** Good morning. There was a real partnership in the Carmarthenshire Construction Training Association Ltd programme, or CCTAL, in Carmarthenshire. I do not know if you looked at that, but that was a public-private partnership and you had Carmarthenshire County Council, Coleg Sir Gar, the Welsh Government and local businesses providing real opportunities for training and then jobs thereafter. That has now become Cyfle, which is the five local authorities' scheme. So, my question in the first place is: were you aware of it and did you look at it, and are you aware of Cyfle and are you looking at that? These are real schemes that developed from an idea into a project and into jobs for people in this category, which you have identified has weaknesses.

[40] **Ms Flood-page:** We did not look particularly at that scheme because we were interested in how councils have responded to the issue, but we were not looking at the effectiveness of individual programmes. So, no, we did not do that. However, we do think that it is important that we do get a more consistent approach to evaluating these different interventions so that we can almost develop a kind of 'what works' agenda for this area because, at the moment, there is lots of information about good projects and these are very often dependent on short-term funding. For example, they have outputs and people are often very keen to promote their outcomes and are constantly having to look for money and they change very rapidly and it becomes very difficult to develop a good evaluation knowledge about what is working best, and that is something that we are very keen on in this report.

[41] **Joyce Watson:** The point that I was trying to make is this: it was a genesis of an idea, which now has mutated, if you like, to the biggest single apprenticeship scheme, I believe, in the UK. So, it started in Carmarthenshire with a small number, was successful and was evaluated and is now the most successful in the UK. I just thought, you know, as auditors, that that might have caught your eye. If there was an evaluation to be made, surely that would be the sort of scheme, where they are taking on 70 plus, every single year for the next three years, through an apprenticeship programme in the area where you have identified a potential weakness.

[42] **William Graham:** You mention in your report what I suppose we would probably describe as harder-to-reach groups. Your conclusion there is one on which I suspect the committee may well wish to make its own recommendations; this is on part d of the report. Your study recommends that the Welsh Government analyses data and local implementation

plans, which we have discussed already. Could you enlarge on that a bit? As I say, it might well be one of our own recommendations.

[43] **Mr Martin:** We felt that, while the Welsh Government's framework acknowledges that different groups of young people are perhaps at greater risk of not getting into employment, in the framework that it had set up for reporting, there was not written into it an approach to targeting those groups or collecting the information on it. It was being left to the local level to identify. We think that, from the Welsh Government's point of view, the research information that care leavers, teenage parents and children or young people with disabilities are likely to face much greater difficulties is so strong that we would have expected the Welsh Government to be collecting those data and information more systematically. So, it has a process of meeting and looking over the plans at local level, and we have recommended that, when doing that, it looks at how well those plans are going to meet the needs of those specific groups. However, we would have liked it to have written that in to the design of those plans. There is more to be done as well in the data collection area, to be able to monitor progress and compare the effectiveness of different strategies.

[44] **William Graham:** Thank you. I call on Mick.

[45] **Mick Antoniw:** This is just a very short point that is on this and on the council point. One of the points that you made that was a little bit disturbing when I read it was that, out of the interviews that you had with the councils, one of the points that they were making was, 'Well, we just don't know what is going on on the ground with some of the people who are actually delivering on the ground,' which means that information, statistics, data and so on are not there. That is quite a worrying feature, if it exists, but I was not very clear on what your recommendation was with that, because it seems to me that there is clearly a measure that the Welsh Government, local authorities or jointly, et cetera, have to have to ensure that there is a degree of control over what is happening, and clear evaluation and targeting.

[46] **Mr Martin:** Some of the background to that is that the arrangements for European funding sometimes approved funding for schemes to be delivered across a regional basis by partners or groups of organisations that had not necessarily worked closely with the local partnerships, the 14-19 and other learning partnerships on their plans. So, sometimes an area would find that there was a new project being developed that not all of them were aware of and they might, therefore, duplicate it. The arrangements for the next round of European funding are being more closely aligned to the delivery of the framework, and the framework itself is requiring a mapping of the services in each area. This should make it easier to identify the projects that should be supported to make it clear that they are filling a gap and not duplicating, but also to make it easier to bring those providers and organisations into the partnerships and networks that need to be involved.

[47] **Mick Antoniw:** Did your analysis come across any conflicts, restrictions, obstacles and so on in the fact that a major area of provision is actually by the UK Government? Of course, you then have all of the efforts that are going on within Wales, and so on. Did you look at the actual interaction between those two?

[48] **Mr Martin:** Well, we recommend that there is more done to align what the Welsh Government is trying to do with what the UK Government is trying to do, particularly through its benefits approach and its unemployment support. I do not think that we looked further than that.

[49] **Mick Antoniw:** Okay, well I will not pursue that, then.

[50] **William Graham:** Rhun, you were going to ask about Careers Wales.

[51] **Rhun ap Iorwerth:** Yes, we will be speaking to Careers Wales representatives later on today, but what is your assessment of how well placed Careers Wales is to fulfil its role within the new framework?

[52] **Mr Martin:** At the time when we embarked on this, Careers Wales was being changed from being six separate organisations into one and was being given a new remit. We found areas where local authorities felt that their relationship with Careers Wales was particularly strong and effective and they were active and engaged and likely to be able to fulfil the expectations in the framework well. In other areas, there was uncertainty and more difficulty in the relationship. But, we were conscious that Careers Wales itself was going through quite a change at that time, so I do not think that we offer an overall opinion on the likely effectiveness of Careers Wales, other than the need for it to be such a key partner in the work at a local level.

[53] **Rhun ap Iorwerth:** It might be useful, nonetheless, just to have a little bit more detail about the areas where things were going well and—

[54] **Mr Martin:** One of our concerns was that the framework, for instance, involves an expectation of levels of specific support to young people that can be provided by different partners. So, the lead worker could come through the youth service, could come through the careers service, could be provided by a third sector agency, or another local authority approach. The streams of funding do not move as easily as deciding who is the key and best placed person for a young person to play that lead role of making sure that the agencies are co-ordinated. So, one of the recommendations that we make is that there is a mapping and a reviewing of how the resourcing ties with what turns out to be the roles on the ground, because it could be that some money needs to go from the careers service to the youth service or vice versa, but those decisions are not made in the same place. Therefore, there will need to be some careful reflection asking, ‘Have we got the right resources in the right place?’ There might be some pressure on Careers Wales, which has certainly not had a net increase, but is having a net reduction in its funding, and its ability to fulfil the roles that are expected, which include greater targeting of its work into some of the categories of young people for whom this is a real risk. However, we cannot, at this moment, say how effective that is going to be and we recognise that there will be a need to review it.

[55] **Rhun ap Iorwerth:** With the caveat that things have changed somewhat since you were doing your work, there is concern, certainly, that any decrease in funding, which is the case, is going to make it increasingly challenging for it to fulfil its role.

[56] **Mr Martin:** It can do, yes.

[57] **Eluned Parrott:** I want to return to the issue of European funding and how that is being used in some of these programmes. You talked about how important it is to develop mapping, not only of the projects, but also of the funding streams that support those projects so that we can avoid duplication. However, there have been programmes that have come up against double funding issues—for example, people on the Work Programme are not able to access Jobs Growth Wales. How many of those kinds of conflicts did you identify in your study?

[58] **Mr Martin:** We were looking more at the issues for the funding of projects and support, I suppose, than at the issues faced by individual young people, although they are important as well. We are aware, although we did not go into detail, that there can be perverse incentives for young people to follow one course of action rather than another course of action and that some training would give greater income for them than others, so this may not be in their interests; there should be more work done in that area. As we have said, as far as the European funding is concerned, we were pleased to see that some of the issues were being

recognised, that the previous programme had not delivered, or it led, in some cases, to duplication while leaving gaps in other areas, and that the withdrawal of funding was having an impact in some areas as well.

10:00

[59] So, we think that the process is likely to be better for the next round. Obviously, the amount of funding is likely to be reduced, so it will actually need to be spent much smarter than in the past.

[60] **Eluned Parrott:** In terms of how we target the funding at those who are really in the most need of support, do we have the information and the data available to us to be able to make sure that the funding is channelled in the right direction?

[61] **Mr Martin:** We were probably a bit disappointed to find that there did not appear to be a financial strategy for work to reduce the number of young people who are NEET. There was a lot of money being spent, but it was not clear that anyone was putting it on the table and saying, across the whole range of things—. It is very complicated, because much of the expenditure is not specifically related to tackling NEETs and helping young people into work; some of it covers a wider range, so work with careers and Careers Wales. This will be a key area for Careers Wales, but it is not its whole area. Education maintenance allowances help some young people to remain in education, but some of the young people that they help to remain in education are not necessarily those that are at risk of having issues with getting into employment.

[62] There was not an understanding of all the different money that was being applied in different ways. Our view is that that needs to be mapped in a much better way than it has been done, and alongside that needs to go better and more consistent evaluation of the impact of the different areas of spend, some of which are in different departments across different areas of Government and with different partnerships. We are not, by any means, saying that this is an easy thing to do, but in a situation where there is less funding to be given, you need to make sure that you can apply it to the areas where it will have the most impact. We were not convinced that the information was to hand to be able to do that at the moment.

[63] **Eluned Parrott:** We are aware, obviously, that the EU is changing the way in which it wants to evaluate the use of structural funds. It is moving away from what it describes as an output-based measurement scheme to more of an outcomes and impact-based one. Are we prepared for that change? Are we collecting the right kind of information? Are you content that we are going to be able to demonstrate impact? It is a very different kind of thing to demonstrating the amount of stuff that you have done.

[64] **Ms Flood-page:** When we did this—and that is why we made recommendations in this area—we were not at all sure that the Welsh Government strategy would be evaluating outcomes in a consistent way. Because of the requirement of the European funding, there is a lot of work ongoing to develop that approach. It is quite important to keep an eye on how that is developing because we have not been in that position until now—the Welsh Government is not. At the time that we did this, at the beginning of the summer this year, that work was ongoing but was not complete. That is why we made recommendations in that area. So, we could not say that we were sure that that was going to be the case at the moment.

[65] **Mr Martin:** There is a document, ‘DfES footprint for ESF delivery 2014–2020’, that was produced after we completed our field work, which does map out not just the youth engagement progression framework, but also what it calls a skills progression route way of the different stages of support that it wishes to see delivered through the ESF. That, together with a tiered model and an acknowledgement of what is in the document—that the

relationship with Jobcentre Plus and the UK Government needs to be featured much more strongly—gives me some feeling that there is acknowledgement of these issues and that some of the steps that need to be taken are being put into place. However, that is a long way short of yet saying that the data and the financial planning are there to go with it. However, there are further elements of the framework in place.

[66] **Eluned Parrott:** Will you be returning to it if you are not convinced in, perhaps, a year's time?

[67] **Mr Martin:** The auditor general will keep it under review. We do have a programme of follow-up work, but also the work of this committee and others will be taken into account when he decides to what extent he wants to follow it up. So, it may well be that, from our report and the work of this committee and what is inevitably—. It is anyway, a developing situation—we looked at it right at the beginning of the development of the youth engagement framework. That itself will have a review built into it and there will be developments. So, we will not necessarily do further work, but we will keep the situation under review.

[68] **Jeff Cuthbert:** I am glad that Eluned made the point about you returning to this later because, clearly, I think you are acknowledging that, when you undertook this work, it was perhaps in a different environment. I assume that you engage fully with the Welsh European Funding Office on matters in terms of European structural funds and the relationship with the NEETs programme. You have said that the Welsh Government's approach lacks a thorough assessment, but you also say that the Welsh Government's approach is based on sound evidence. Admittedly, you say that it could perhaps draw more on the direct views and experiences of young people—I acknowledge that—but, nevertheless, on the face of it, there appears to be a little bit of a contradiction there in these two statements. Is it a mixture of both?

[69] **Mr Martin:** I think that the lacking we saw was in the understanding of the finances that were being deployed and the comparative effectiveness of those. The principles in the youth engagement framework, we think, were evidence-based and soundly drawn from experience elsewhere as well as from within Wales and are the right approach in that they are looking for consistency to replace inconsistency in arrangements for identifying young people, the kinds of provision that they should expect and the skills in commissioning and brokering those. So, we think that those measures that are being put in place, together with the jobs guarantee and the roles that are envisaged, will be a good basis moving forward. I am not sure that there is an inconsistency.

[70] **William Graham:** Thank you very much for your evidence today. The committee has been most interested in your replies. We are most grateful. The transcript will be sent to you shortly for you to check, so you may give us any comments that you wish to make. We will adjourn for 10 minutes.

*Gohiriwyd y cyfarfod rhwng 10:07 a 10:20.
The meeting adjourned between 10:07 and 10:20.*

Ymchwiliad i Helpu Pobl Ifanc i Gael Gwaith—Sesiwn 2 Inquiry into Assisting Young People into Work—Session 2

[71] **William Graham:** This is our second session today. I am grateful to our witnesses for coming. Could I ask you to give your names and titles for the record? You are both too polite. [*Laughter.*]

[72] **Ms Rodgers:** I am Yvonne Rodgers, director of Barnardo's Cymru.

[73] **Ms Stokes:** I am Elizabeth Stokes, manager of Learning 4 Life for Llamau.

[74] **William Graham:** Thank you very much. Our first question is from Dafydd Elis-Thomas.

[75] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr. Byddaf yn ceisio gofyn yn gyntaf beth sy'n arbennig ynglŷn â'r sector rydych yn ei gynrychioli sy'n gallu ymgysylltu â phobl ifanc sydd, o bosibl, ddim mewn sefyllfa i gyfrannu cystal â'r disgwyl i'r farchnad lafur. Beth all y trydydd sector ei gynnig sy'n unigryw ac arbennig?

Lord Elis-Thomas: Thank you very much. I will first of all try to ask what is particularly special about the sector that you represent that means that you can engage with young people who, perhaps, are not in a position to contribute as strongly as would be expected to the labour market. What can the third sector offer that is unique to you?

[76] **Ms Rodgers:** O'n hochr ni, fel Barnardo's Cymru, rwy'n credu mai'r hyn sy'n bwysig yw'n bod wedi bod yn gweithio gyda'r bobl ifanc a phlant mwyaf difreintiedig yng Nghymru ers dros 100 mlynedd bellach. Eto i gyd, mae pobl ifanc yn delio â'r sector gwirfoddol yn wahanol, achos nid ydynt yn meddwl amdanom fel 'awdurdod'. Mae'n bwysig hefyd, os yw plant mewn gofal ac mae lot o waith gyda *social worker*, nad ydynt yn meddwl amdanom ni yn y ffordd honno. Mae cyfle inni wneud pethau'n wahanol ac mae cyfle inni hefyd ddefnyddio ein harian gwirfoddol i geisio gwneud pethau newydd—i gael *pilots* neu i weithio gyda phartneriaid eraill i wneud yn siŵr bod pobl ifanc yn gallu cael cyfleoedd newydd i wneud rhywbeth yn wahanol.

Ms Rodgers: From our position as Barnardo's Cymru, I think that what is important is that we have been working with the most disadvantaged young people and children across Wales for the last 100 years. Yet, young people deal with the voluntary sector in a different manner, because they do not think of us as 'authority'. It is important also, if children are in care and there is a lot of work with social workers, that they do not think of us in that way. There is an opportunity for us to do things differently and there is an opportunity to use our voluntary funding to try to do new things—to conduct pilot schemes or work with other partners in order to ensure that young people can have new opportunities to do something differently.

[77] **Yr Arglwydd Elis-Thomas:** Rwy'n gyfarwydd iawn â'ch gwaith chi, yn enwedig yn ardal Blaenau Ffestiniog, ym Meirionnydd, ac yn ceisio bod yn gefnogol. A fydddech yn gallu rhoi enghreifftiau eraill i ni o weddill Cymru o le mae'r gwaith peilot yr ydych yn ei wneud, yn eich barn chi, yn fwy effeithiol? Rwy'n gofyn y cwestiwn fel yna, o ran effeithiolrwydd a gwerth am arian, oherwydd rydym newydd glywed gan Swyddfa Archwilio Cymru nad yw'n gallu mesur, ac nad yw Llywodraeth Cymru yn gallu mesur yn aml iawn, y ffordd fwyaf effeithiol o weithredu. A ydych yn gallu profi i ni eich bod yn fwy effeithiol na phobl eraill? A ydych yn deall beth rwy'n trio'i ofyn?

Lord Elis-Thomas: I am very familiar with your work, particularly in the Blaenau Ffestiniog area, in Meirionnydd, and try to be supportive. Could you give us other examples from the rest of Wales of where the pilot work that you undertake is, in your view, more effective? I ask the question in that way, in terms of effectiveness and value for money, because we have just heard from the Wales Audit Office that it cannot quantify, and the Welsh Government very often cannot quantify, the most effective *modus operandi*. Can you prove to us that you are more effective than others? Do you understand what I am trying to ask?

[78] **Ms Rodgers:** Ydw. Mae'n bwysig iawn fod yn rhaid i chi brofi a ydych wedi

Ms Rodgers: Yes. It is very important that you have to prove whether or not you have

bod yn effeithiol ai peidio. Os ydych wedi cael arian, er enghraifft yn Wrecsam ac yn y Rhyl, trwy brosiect *Life Skills y Big Lottery fund*, mae'n rhaid i chi wneud yn siŵr eich bod yn gallu gwneud yr *evaluation* ar ddiwedd yr amser hwnnw, a'ch bod yn gallu doddi i lawr yn gyson beth sydd wedi digwydd trwy'r rhaglen, a hefyd eich bod yn gallu mesur, fel maent yn ei ddweud yn Saesneg, y *distance travelled*.

[79] Roeddwn wedi fy siomi tipyn bach i weld nad ydych yn gallu mesur hynny, achos mae'r loteri wedi gwneud yn siŵr iawn ei fod yn gallu mesur beth roeddem wedi anelu ato i ddechrau a beth oedd wedi digwydd yn y diwedd. Felly, mae gennyf heddiw—gallaf ei adael gyda'r pwyllgor—yr *evaluation* a wnaethom ar ddiwedd y prosiect hwnnw, ar ddiwedd y pedair blynedd. Beth oedd yn anodd i ni i gyd oedd yr ochr y maent yn ei alw'n *soft outcomes*. O ran yr hyn roeddech yn ei ofyn ynghylch beth all y sector gwirfoddol ei wneud, mae lot o'r gwaith rydym yn ei wneud yn gwneud yn siŵr bod y bobl ifanc hynny yn gwybod sut i gymdeithasu—y pethau nad ydych yn meddwl amdanynt, efallai, os ydych yn dweud, 'Yr hyn sydd ei angen ar y person ifanc yma yw swydd'.

[80] Beth oedd yn anodd iawn i ni yn y ddau brosiect yna—. Ppan rydych yn siarad â phobl ifanc ac yn gofyn iddynt a ydynt yn mo'yn profiad gwaith, maent yn dweud 'na', neu a ydynt yn mo'yn gwneud rhywbeth am ddim, heb dâl, maent yn dweud 'na'. Yr hyn sydd yn eu meddwl nhw yw, '*I want paid employment*'. Mae'n anodd iawn trio esbonio i bobl ifanc nad ydynt wedi gwneud yn dda yn yr ysgol o gwbl, efallai, achos eu bod wedi cael bywyd eithaf *chaotic* neu wedi byw mewn gofal, nad ydyn nhw'n gallu, gyda dim cymwysterau o gwbl, mynd i swydd mewn un naid. Felly, roedd lot o waith yn y prosiect hwnnw er mwyn galluogi'r bobl ifanc hynny i ddeall bod rhyw fath o *micro steps* ar gael—eich bod yn gwneud un rhaglen, cael tystysgrif yn dweud eich bod yn gallu gwneud hynny, a bod hynny'n rhywbeth rydych yn gallu ei ddangos. Yna, o'u paru gyda chwmnïau yn y gymuned, gallant weld gwerth gwneud hynny heb dâl.

been effective. If you have received funding, for example in Wrexham and Rhyl, through the Big Lottery fund's Life Skills project, you have to ensure that you can conduct the evaluation at the end of the project, and that you can put down consistently what has happened through the programme, and also that you can measure the distance travelled.

I was a little disappointed to see that you cannot measure that, because the lottery has ensured that it can measure that it can measure what we had aimed to do initially and what the outcome was. So, I have today—I can leave it with the committee—the evaluation that we had conducted at the end of the project, at the end of the four-year period. What was difficult for all of us was what they call the soft outcomes. In terms of what you were asking about what the voluntary sector can do, a lot of the work that we do is associated with ensuring that those young people know how to socialise—the things that you perhaps do not think about, if you say, 'What this young person needs is a job'.

What was difficult for us in those two projects—. When you speak to young people and ask them whether they want work experience, they say 'no', or whether they want to do something for free, without any pay, they say 'no'. What they have in mind is, 'I want paid employment'. It is very difficult to try to explain to young people who have not done at all well in school, perhaps, because they have had quite chaotic lives or lived in care, that they cannot, with no qualifications at all, go to a job in one jump. So, a lot of the work in that project was about getting those young people to understand that some kind of micro steps are available—that you can follow a programme, get a certificate stating that you can do that, and that that is something you can show. Then, when they are paired with businesses in the community, they can see the value of doing that without receiving any payment.

[81] **Ms Stokes:** With Llamau as well, we had a similar life skills project, and it is the

small steps that are the preparation that we have had the strength to do with the young people. We are able to work with very small groups—with disadvantaged young people, with young homeless people and care leavers—and it is the pre-employability, the small steps, getting them to realise—. They think that they are work-ready because they want a job. If they are motivated, they think that they can walk straight into one, and we have to work with them to make them see the very small steps that they need to take to improve. Work tasters, again, are incredibly effective. On the life skills project, last year, we got 63 young people to do tasters, and that is a very small step to say that they understand the skills and behaviours that they need. It is about getting them to take the small steps that—. They cannot go straight into a job. If they could, they would. The very fact that they have not shows that they need support from Barnardo's and Llamau to learn what the behaviours are, to learn the small steps and to make gradual progression.

[82] I think that what the third sector can contribute is that we are able to work with the very hard-to-reach young people, in that we have a relationship with them because of our other projects, because of the housing and the support that we are able to offer them, and it means that there is an element of trust there so that they can work with us. It is then that we are able to get them to understand those small steps and to get them to trust us to realise that that is a long journey towards—.

[83] Llamau is also managing the Symud Ymlaen/Moving Forward project at the moment, which is funded by the Welsh Government. We are one year in. Already, 11 young people have completed six-month work placements and all have progressed either to full-time employment or to college to improve their skills. So, that is measurable. However, for us, it is also about finding out what the young people found from that project and what they got out of it, and they have said things like they have learned how to sustain a work ethic. They have learned that they want to work, and it is finding the attitudes that we are leading to.

[84] **Lord Elis-Thomas:** Just one last question: why do you assert to us that they trust you more than they would trust other providers? That is the thing that I want to know about.

[85] **Ms Stokes:** We have the luxury that we can work with very small numbers and that we can work very flexibly with the young people. We have ratios of 1:5 young people, so we are able to respond to their needs. Whereas other mainstream providers are looking at targets at levels 1 and 2, we are working towards entry levels, starting where the young people are, looking at what they want to achieve and building on that.

[86] **Ms Rodgers:** If I can just pick up on that, I was looking at those evaluation studies and seeing what the common things were within that. Why the voluntary sector rather than others? It is not always just the voluntary sector, and that is important. What we found in both of the projects that we ran over those four years was that you have a number of experts who can come together. What we know about, as Llamau does, is how you work with those most disadvantaged young people, who are furthest away from the job market, and we can provide that personal close support with those small numbers. What we found from the evaluation was that what you have to have for those programmes to be successful is for them to be tailor-made for individuals, using personal outcomes, rather than tick-box outcomes. So, sometimes, we could tick boxes for some of the Big Lottery things, but there were some other things where we knew that the young people had made gains, but how did you show that as a soft target? How do you get that young person to go from very low aspiration to understanding themselves? Their belief in themselves means that, for the next opportunity that comes along, they will be even stronger than they are now in this early stage. It feels like micro steps or baby steps when you are doing it.

10:30

[87] However, the way it worked was that we were doing that aspect of the programme, working very closely with Careers Wales, which was giving the really solid, up-to-date job and occupational advice for young people, and then, because of their experiences—and they had a huge number of other issues in relation to mental health difficulties, post-traumatic instances, because of their abusive earlier childhoods, et cetera—we were also working with CAIS, which was able to provide therapeutic support around substance misuse and that therapeutic work. So, although it was working together, they were all separate streams of the one programme. I think that the more successful programmes are where you can have respect between those partners as organisations, and then, which is really crucial, respect for the young person who is on the programme.

[88] Felly, mae rhywbeth amboutu parch, So, there is something about respect, which I
rwy'n credu, sy'n bwysig iawn. think is very important.

[89] **Yr Arglwydd Elis-Thomas:** Diolch **Lord Elis-Thomas:** Thank you. Excellent.
yn fawr. Ardderchog.

[90] **Jeff Cuthbert:** There are two parts to this—well, there are two questions. In the written paper from Barnardo's, you referred to the life skills option project and the life skills work your way project, which I am familiar with. You appear to be quite successful, and, indeed, I note your comments at the end about the type of issues that need to be addressed for some of the most hard-to-reach young people you work with. So, the first question is this: in terms of the Welsh Government's traineeship programme, which has three strands, of course, one of which is focused on the hardest to reach young people, to what extent have you sought to have these outcomes, or conclusions, embedded within the main traineeship programme? If you have tried that, what has been the response? Then, as a separate matter, if I may, in terms of the organisations, I was on a predecessor committee some years ago, and we had a similar review in terms of working with the hardest to reach young people. At one point, we had three organisations, which were, I think, doing similar work to yourselves—Fairbridge, Rathbone and the Prince's Trust—and the question was asked: why have we got so many organisations that seem to be working with the same types of young people? What sort of co-ordination do you have in terms of organisations like yours, which are working with the hardest to reach young people, so that there is not unnecessary duplication but, indeed, a sharing of knowledge and resources?

[91] **Ms Rodgers:** Okay. First question first. So, on the first question, in relation to the traineeship programme, we tried extremely hard to, as I said, get a situation where you could link with traineeship programmes. What happens with the young people who come to us is that they are, as I said earlier, so far away from the labour market that you have to do an incredible amount of preparatory work to get them to that point. What we did in the Wrexham project in particular was to link very closely with Yale College, and we were very successful in getting young people on programmes in that college, because it was willing to go that extra mile, I think, in respect of the difficulties that some of our young people were facing.

[92] It is wonderful sometimes to pick up the paper, and look at what we are trying to do in terms of apprenticeships for young people. The young people we work with are so far away from being able to gain any of those apprenticeships that it is almost as if you are looking at a different world entirely. You know, in every sort of qualification or aspiration towards work, you have to have at least a certain educational attainment level that can be proven at that point. Of our young people coming into those work programmes, only 20% had any sort of qualification involving maths or English, which meant that 80% of the young people we work with had huge literacy problems and could not even imagine getting to a position where they could get on to traineeship programmes. You know, it is almost like the Yosser Hughes thing: 'Give us a job'. They wanted the job, and your work was actually explaining to them the journey that they have to travel before they get there.

[93] **Ms Stokes:** I would agree. The young people at Llamau typically are at entry 2 level when they begin. So, for them to move along to traineeships at levels 1 and 2, there are a lot of little steps that need to be made. It is an aspiration for them, but the strength of the third sector is that we are providing those small, supported steps. This leads on to your next question about how we work together. We want to move them on. We do not want them to work with us for very long. The aim is that they work with us for three months, typically, within Llamau. Within that time, they will gain an Essential Skills Wales qualification, they will boost their confidence, and they will do a work taster, but then they go to the next step, and the next step is the Prince's Trust, Rathbone, Fairbridge, which is the step on from us. Then, the next step on from that is further education, and so on.

[94] **Jeff Cuthbert:** Okay. Are you telling me that there is not really any direct contact until some way down the path with the traineeship scheme? I know that the first strand is for those young people who are very far from the job market. Is there no joint working, or have you tried and it has been resisted?

[95] **Ms Rodgers:** I do not think that it is about joint working. It is the fact that we are recognising the specialism of other organisations. So, for instance, we have a young person's advisory service in Pontypridd, in Rhondda Cynon Taf, but we link those young people with the Prince's Trust when they are ready and able to work on the programmes that the Prince's Trust offers. It is almost horses for courses, and what is local to you and what works for you.

[96] Some of the difficulties that we have with young people—going across to a different question—is where the service is located and where the young people are located in terms of transport costs, particularly in rural areas. There was difficulty with some of the programmes that we were trying to link people with in north Wales. There were huge problems around the travelling times, which were an hour or more sometimes, and the travel costs. In terms of progression, for all the positive work that we did, sometimes the barriers that we are facing are not just the young people's barriers, but the actual structural barriers that affect us in our ability to move people on. So, a young woman who had worked very hard to get catering qualifications to get a job in a pub restaurant was then immediately disadvantaged and was looking to give it up because she was no longer able to support her tenancy, because she immediately lost half of her housing benefit. So, the wages that local employers are able to give to those young people, who are on a very low rung, will not then enable them to sustain a tenancy. They are not living at home with their families; they are living independently because they have left the care system. So, those sorts of issues arise.

[97] **Ms Stokes:** I think as well, with the traineeships, and certainly with the engagement and progression framework, that there is still a focus on the mainstream. The strength of Llamau and Barnardo's is that we are working with young people who have not fitted into the mainstream. School? They have not attended school. School has not worked for them. They are outside the system. So, we are still striving to be included in consultations and for us to be included when traineeships are coming down, and in the engagement and progression framework.

[98] **Ms Rodgers:** There is another issue, because of this length of time that I keep talking about—and I am sorry if I am annoying people by talking about the length of time—which is the age. We have done a lot of work in Wales, thinking about the school leavers and about 16 to 18-year-olds. One in 10 of 16 to 18-year-olds in Wales is NEET, not in education, employment or training, but when you look at the 19 to 24-year-old population, it is one in five. We are working with those young people who might not engage. You might have spent those two years getting them to do the micro steps, getting them to catch up, but it is about the next period. You are hoping that you have done the work by 19 to 24, because that is when you want the traineeships or apprenticeships to happen. Sometimes, they have missed

opportunities that are available to other young people at 16 or 17.

[99] **William Graham:** It was most interesting what you were saying. So, really, in terms of the Welsh Government's engagement and progression framework, you are saying that that is really about the next step, is it? What would you recommend? How could that be improved? Is there another level, in other words?

[100] **Ms Rodgers:** Yes, I think that there is another level. I think it is about then acknowledging that, when funding is available to organisations such as the Prince's Trust, Rathbone, Fairbridge and others, who particularly specialise in work programmes, it is about performance by results and it is about numbers. So, if you are in that position, you are going to take the most easy to place young people. You are not going to reach the hard to reach, because you are going to be paid for the ones you get into work and the ones you can sustain in work. Where Llamau and Barnardo's are concerned, we are working with those who are hardest to reach. Often, if we are offered any work in relation to that, as organisations, we are a long way down the food chain because someone else that has UK coverage has got the big contract. So, they are thinking, 'What are we going to do with these really hard to reach people? I know, maybe a voluntary organisation might help us with this'. They are not really being measured on those targets themselves, as long as they have a sub-contractor who is willing to take the risk that they cannot.

[101] **Ms Stokes:** If those young people are then to progress to a measurable level, to level 1 or level 2, somebody needs to be working with them at entry level and somebody needs to be doing the groundwork. If nobody is doing that, they are never going to progress to the higher level. So, that is a key step that needs to be met.

[102] **William Graham:** So, in terms of thinking of recommendations from this committee, we have got to think, really, of literally another level to support the harder to reach groups; otherwise, they never will progress.

[103] **Ms Rodgers:** They will never get there. Just in the context of what has happened this week in terms of employment, think of Pembrokeshire and the 400 jobs that have been lost. On top of those 400 jobs, there will be the other jobs that are dependent on those. There will be lots of people out of work who are quite skilled and will be looking for work, and then will move out of that area to find the work. Our young people are always going to be at the back of this queue, unless we can find a different way to do it.

[104] One of the challenges that we find is when young people are young parents, for instance, because not only then do they have the employment difficulty but also the childcare barrier that we need to look at. In reference to Caban Bach, which is in Blaenau Ffestiniog, sometimes as an organisation—because we are not an employment organisation—we cover a range of services for disadvantaged children and young people, and whichever situation they find themselves in, that is where we work with them. So, there may be young mothers who are trying to get back into education, not necessarily training, but how do they pay for the childcare? Who is going to do that? Sometimes, within our services, we are the providers of that childcare so that young women and young fathers can be involved in the workplace or with education.

[105] **Ms Stokes:** We have also found in our experience of working with young care leavers that even when we have set up work placements and tasters, it is about the amount of support that they need to go those very first days, because they do not have a parent to nag them, get them up, make sure they have got clothes and make sure they have had breakfast. So, we often have to provide that support, and there has to be a support worker to provide that transition because otherwise they are not going to make it through the door on the first day. So, it is about all that extra support, which you automatically do for your own children and

you take for granted, but these young people do not have that support out there.

[106] **William Graham:** Just as a slight aside, if I may, what has been your experience of some of the larger employers? Do they have specific entry for the folk you are describing? Have you found that helpful? Lloyds Bank, for example, prides itself on the fact that it tries this. Has it been your experience that that has been helpful?

[107] **Ms Rodgers:** What I found extremely inspirational from the Cyfle Work your Way project in Rhyl was that a number of employers, large and small, in that community were willing to give our young people a chance. In the evaluation event that we held at the end of the project, many of those employers came and were filmed talking about their experience. When Elizabeth talks about having to have that mentoring or that extra support, our part in that work was texting somebody asking, 'Are you out of bed? Are you there? You've got to get there', and being quite hard and cajoling, as your mum or dad would do if you were at home. That is what we need to be doing. 'We care enough about you that we want you up, ready, had your breakfast and you're going to work or education, and you're going to be there.'

10:45

[108] These young people are not used to that because, even in their home background, nobody ever looked at the clock and worried about whether they were going to go there or not. However, the other side of the picture is that what you then had was a mentor in the work environment. We do not know about that particular work environment, but whether that was recycling plants outside Rhyl, a local kennels or catering, or wherever that young person was working, their expert mentor was in the workplace. It was important that we as an organisation, with this mentor, worked with the work mentor. What was particularly challenging and funny really was that, halfway through the programme, the work mentor was telling us not to be so hard on the young person. *[Laughter.]* The workplace that had said, 'Oh, I don't know if I want this young person; you know what they're like', once they had got to know that young person, were actually then much more supportive and you were able to hand over that support to them. So, from a north Wales perspective, I have to say that I was overwhelmed by the willingness and flexibility of small and medium employers to welcome our young people.

[109] **Ms Stokes:** Llamau's experience again is that a lot of employers are willing and a lot of employers are aware of social contributions. They sometimes do not have the skills, so we have done things where we have gone in and we have trained groups of employers about the needs of our young people and we have talked to them about what barriers they have faced and what their experiences are. We have had a fabulous relationship with GE Aviation in Nantgarw. It was willing to offer us work placements for our young people, again this taster. However, again, to begin with, its mindset was very much the mainstream school model, that they were going to offer two weeks, nine to five. In terms of where our young people were at that stage, that would be setting them up to fail. So, we had to educate the employer to go back a few steps and we have a fabulous model, which is still ongoing; we have a site visit followed by a meet and greet, a very informal interview and meeting staff, followed by a two-day work taster, which can then lead on to a two-week placement, but it is small, micro steps. For some of our young people, the site visit is actually it at that stage of their three-month programme, but that is huge for them. They have gone to see a workplace; they have gone to meet role models and they have seen what a workplace looks like, and it is something that they will revisit further on in their journey. So, it is about helping employers understand that they can support us, but they sometimes need to go right down to the beginning and look to offer first steps.

[110] **Ms Rodgers:** Talking about big employers, I think that the biggest employer that we

linked with in a south Wales perspective, outside Cardiff, was Scottish and Southern Energy. It offered a programme that was very small scale, mainly call-centre work for our young people, and actually set up a system within its company where it had a training programme for the young people, so that they were trained into that role. I think that the most rewarding aspect of that was the respect that it showed to the young people, so that, once they had followed that programme, they were then on equal pay with anyone else in that call-centre environment. Again, we were facing the transport issues, I have to say, because it is off junction 30 and we had to try to get these young people there because there was no way that they could get there under their own steam. Also, call-centre work does not suit everyone, so it was hard then when you cannot tailor make what you want, but those were the jobs on offer there. However, one success was a particular young man, who is also a father, and he stayed with the company, for example. So, that is a family that is now in work and he is aspirational about the life of his family and what he is going to do from now on. However, I would say that probably half a dozen to eight young people is all that we could help within that programme, despite that company really wanting to work with us. However, the same company does work with Barnados in Scotland, and that is how it came to us initially and it is very successful there.

[111] **Ms Stokes:** Also, just to add, with the Symud Ymlaen/Moving Forward project, obviously we are working with a range of employers of different sizes, and, as I said earlier, of the 11 young people who have completed their six-month work placements, all of those who wanted to stay on have now been kept on by the employers, so there is a commitment there.

[112] **William Graham:** Thank you. Rhun is next.

[113] **Rhun ap Iorwerth:** Mae'n bwysig, wrth gwrs, bod y bunt gyhoeddus yn mynd mor bell â phosibl. Tybed a fydddech chi'n dymuno gwneud sylw ynglŷn â chost effeithlonrwydd y gwahanol ddarpariaethau sydd i gael pobl ifanc i mewn i waith ac, o bosibl, cymharu'r hyn yr ydych chi'n ei wneud yn y trydedd sector â'r hyn yr ydych chi'n gweld yn digwydd mewn mannau eraill.

Rhun ap Iorwerth: It is important, of course, that the public pound goes as far as possible. I wonder whether you would wish to comment on the cost- effectiveness of the different provisions that are available to get young people into work and, possibly, compare what you are doing in the third sector with what you see happening in other areas.

[114] **Ms Rodgers:** Rwy'n credu beth sy'n werth trafod yw, os oes gennym *pilots* sy'n effeithiol, rydych yn trio edrych ar werth y *pilots* a'r hyn sy'n digwydd gyda nhw, felly pam na allwn gasglu'r wybodaeth i gyd mewn un man a dweud, 'Ni'n gwybod beth sy'n gweithio a dyna beth sydd ei eisiau a dyna beth ni'n mynd i'w wneud'? Fodd bynnag, mae siarad am gost yn anodd iawn, achos os nad yw pobl ifanc mewn gwaith, beth arall sydd yn mynd i ddigwydd yn eu bywydau? Rydym yn siarad amboutu CAIS sy'n gweithio gyda phobl ifanc o ran *substance misuse* ac yn y blaen.

Ms Rodgers: I think that what deserves discussion is, if we have pilots that are effective, you try to evaluate the pilots and what is happening with them, so why can we not collect all of that information together in one place and say, 'We know what works and that's what's required and that's what we're going to do'? However, talking about cost is very difficult, because if young people are not in employment, then what else is going to happen in their lives? We are talking about CAIS, which works with young people in terms of substance misuse and so on.

[115] Homeless young people, for instance, are three times more likely to have mental health difficulties. So, it is very difficult to price the worth of these programmes compared with young people's life experiences. So, it is a true invest-to-save, if you can make it work. There is another element, which is about the length of time that these programmes run for. So,

the lottery funding, for instance, was for four years. So, those programmes that I am talking about now have now ended. I have not got any continuance funding, and you think, 'Right, there was a large group of young people who were helped over a period of four years: what happens now? Are there other programmes?' We are constantly trying to find funding to re-energise these programmes and make them happen. We talk about respect for young people, but what are we saying? That you were okay as a guinea pig and we tried it for four years and that is it now—we have done that and we will write up the results.

[116] *Gwerth y rhaglen yw diwedd y* The value of the programme is what happens
rhaglen. at end of the programme.

[117] **Ms Stokes:** Similarly with the life skills project, again, it was a very successful pilot. It helped us gain the Symud Ymlaen contract, we know that, but we want it to continue. It was a successful pilot, and there should then be mainstream funding coming in. Again, as Yvonne was saying, it is about looking at what some of the targets are and some of the payables and, again, for us it is often anecdotal, where it is asking what else we have achieved. So, with the life skills project, we got a tick if somebody achieved a basic skill, but often our young people achieved two or three; they achieved other skills, they achieved confidence in those basic skills and then progressed in them, but we did not get ticks for that—we did not get extra funding. I am aware that, often in the third sector, we are doing extra work that is not funded and that does not hit the tick boxes, but we have got to hit the tick boxes to enable us to tackle that larger picture.

[118] One of the bigger issues with some of the funding was that there was a particular barrier with the life skills project in working with young care leavers. To be able to claim their outcomes, all of our young people had to have a national insurance number. Now if there is a group of young people in the population that is less likely than any other to have an NI number, it is care leavers. For one young lady we worked with, we did not receive an NI number for her until a year after she had finished the project. We had worked with her in that time: we had got her through an Application of Number qualification, an ICT qualification, we got her through a work taster and we helped her to progress to college, but we did not know that we would ever be able to access any funding for that and our concern often in the third sector is that other training providers might have said, 'Sorry, until you've got an NI number, you cannot enrol in the project'. So, that is one of the big factors with funding for us.

[119] **Rhun ap Iorwerth:** So, we need to evolve the ways we monitor the success of schemes as well as evolving the schemes themselves.

[120] **Ms Stokes:** Yes.

[121] **Ms Rodgers:** And not keep reinventing the wheel. I would say that my programmes were fairly successful because, for the Barnardo's programme, we will talk to you about that and say, 'We are really pleased with what we did'. However, any organisation that finds the answer to this needs to be given a fair wind to make sure that they can achieve these outcomes. With time-limited programmes, unless you are using that four-year pilot to grow into something else, then what is the point? That is the challenge, even for the workers within the services, who wonder what will happen to these particular young people and then what will happen to the young people who come up after them.

[122] **Ms Stokes:** Some of the concerns that remain about value for money, as has already been discussed, are that the best are creamed off—that the young people who can achieve are worked with to chase the funding, and it is the young people who will take longer to get there who are missed.

[123] **Rhun ap Iorwerth:** So, we have to be pretty sophisticated in the way we measure

what is a success, because with, say, Jobs Growth Wales, it is easy to say that the 16,000 mark was reached, but that does not necessarily tell us how many of those jobs are sustainable and if many of them are long term.

[124] **Ms Rodgers:** You are working in an environment now where not many jobs are sustainable. Even in the wider market, employers who have been very helpful to us now have their own pressures. So, I think we do need to be sophisticated in that way.

[125] **William Graham:** Joyce has a supplementary question.

[126] **Joyce Watson:** I want to explore an avenue that has not been explored, and that is the young carer and the support and help that they need. They are a specific group and I suspect that they are a growing group, and there are challenges that they face. I want you, if you will, please, to talk about that, but also to say whether you have got any recommendations. You have mentioned transport as a challenge a lot—and I represent mid and west Wales, so I know about that—so do you have a particular recommendation that you think we ought to pass on to Government in terms of transport?

[127] **Ms Rodgers:** In terms of young carers, it is quite an interesting area in terms of where we think they are in the spectrum. A great number of their difficulties are because of what is required of them in their home environment, in terms of caring responsibilities, which has impacted very negatively on their school experience over time. However, I would not want to be broad-brush about that, because we have young carers who achieve very high qualifications, almost despite all the difficulties they face. However, their opportunities in taking up further education and other employment opportunities are then hampered by the obligations they feel to the people they care for. So, I think there is a particular concern about how we support the needs of young carers entering into further education and employment.

[128] In terms of transport, so many young people seem more mature than any adviser, because they know the true cost of that transport, and they will say, 'There's no point in doing this particular job, because, by the time I've paid out whatever, and sustained the tenancy and done everything else, I'm going to be much worse off than I am now'. I know that there has been talk about helping young people with some sort of transport discount for public transport. That would make a huge difference if that was enacted, but I think it would have to be publicised very strongly as well that that was in place.

[129] **Ms Stokes:** A transport subsidy would really help. We have found that, when young people move into a work placement, we have had to give them the first week's travel, and, for that to be sustained for the next week, there is a lot of support to make sure that they are budgeting and saving money from their first pay packet to then pay for the second week's travel. However, subsidising would certainly help and also publicity about their needs.

[130] I was quite surprised when I was consulting with some of our young people in Cardiff, because my assumption was that Cardiff transport was fine and that it was more of an issue for young people in other areas. The young people in Cardiff contradicted me and were saying that they were finding difficulties in getting across in rush hour and getting connections when, again, time is tight for them, and they might have quite chaotic lifestyles. Also, for young people with mental health difficulties, travelling at rush hour is really difficult in terms of anxiety. So, again, it is about, maybe, flexible working, looking for placements to be outside of the mainstream hours and just really helping to educate employers again that very young people do not have access to a car and are going to need some travel training and are going to need some flexibility, really.

[131] **Ms Rodgers:** That has just reminded me of something that one young person said about their achievement at the end—it was actually going on public transport. So, there is that

shock of thinking that there are 16 and 18-year-olds out there who have never actually got on a bus on their own, and that is the level—. If you think about your tick boxes, and you are trying to say that you want unsustainable employment at the end, how do you move young people through this? This is the strain that some of them are feeling, and, if they are combating mental health difficulties as well, then there is an additional issue in relation to anxiety.

11:00

[132] They need to have that feeling of independence. Neither Llamau nor Barnardo's Cymru would want to encourage dependency on us. It is about moving young people through, but they do need longer than any programme that would just be looking at numbers and payment by results.

[133] **Ms Stokes:** Part of the intense support that we give someone transitioning into work is travel training. They might get a lift on the first day, but then we go with them on the bus the second day and kind of support them through. I know that some schools have piloted that kind of travel training and trying to move away from reliance on taxis and lifts, but I think that there is room for more.

[134] **Joyce Watson:** Could you give us some information about those schools, please?

[135] **Ms Stokes:** Yes, indeed.

[136] **William Graham:** Thank you very much for the evidence that you have given us today. There will be a transcript prepared in the next couple of days for you to comment upon. We are most grateful to you for the way in which you have given your evidence today. It is very helpful to the committee.

[137] We will recess now for five minutes just to change over.

*Gohiriwyd y cyfarfod rhwng 11:00 a 11:03.
The meeting adjourned between 11:00 and 11:03.*

Ymchwiliad i Helpu Pobl Ifanc i Gael Gwaith—Sesiwn 3 Inquiry into Assisting Young People into Work—Session 3

[138] **William Graham:** [*Inaudible.*—session of the committee's report today. Our formality is to ask each of you to give your name and title for the Record. I will start with Martin Nicholls.

[139] **Mr Nicholls:** I am Martin Nicholls. I am chief operating officer for the City and County of Swansea.

[140] **Mr Viazani:** I am Andrew Viazani. I head up recruitment for Admiral.

[141] **Ms Gruffudd Jones:** Efa Gruffudd **Ms Gruffudd Jones:** Efa Gruffudd Jones, Jones, prif weithredwr Urdd Gobaith Cymru. chief executive of Urdd Gobaith Cymru.

[142] **Ms Rees:** Wendy Rees, human resources lead at BBC Wales.

[143] **William Graham:** Thank you very much. We will go straight into questions. The first one was to be asked by Eluned, who is not with us; so I will go to the next one, if I may, which I think that I am going to ask you. From the employers' perspective, what do you think are the main barriers that prevent young people from entering the labour market? Perhaps we

could start from the left.

[144] **Mr Nicholls:** From our perspective—I am involved in the construction area—the main barriers for us are the apparent lack of readiness for work and, I think, the lack of life skills among a lot of our young people. Although we recruit, for apprentices, from 16 to 24-year-olds, we find that we presume that those pupils or individuals leaving school have those basic skills, and, even though we are not looking academically, because we are looking more for attitude and aptitude, they do not seem to have those basic skills in terms of interview preparation, understanding the workplace, and understanding perhaps what employers want. We have also had some problems, particularly in some of our disadvantaged areas and the areas of high deprivation, where—just catching the tail end of that previous question around travel and transport—it was quite interesting to find that we had not realised how difficult that was, even in quite a close community in Swansea, and how difficult it would be for some youngsters to be able to travel to where we were hosting training events. What we are now doing is taking those training events out to them, via mobile construction buses, and putting them in the community centres, and that has led to some significant improvements. So, those will be the main ones, but there are others.

[145] **Mr Viazani:** I would echo some of those points. From an Admiral point of view, we employ 5,000 people in Wales—in Newport, Cardiff and Swansea. Probably 3,500 of those are in the contact centres, which are seen as a perfect entry-level role for some of our young people. I guess where a lot of our young people fail is at the application form stage. That is the first barrier. We do not ask for any formal qualifications, but we expect the spelling and grammar on the application form to be of a certain standard. So, we will make some—. You know, it does not have to be perfect, but a lot of it is like text-speak; there is no punctuation or upper case. So, that is the first impression that you get and then, sometimes, the answers are too brief. So, an example would be, ‘What do you know about Admiral?’ and a lot of the answers that we get are, ‘We’ve heard that it is a good company to work for’, or ‘My friend works for them’, and it is just a one-line answer, whereas we would expect these people to have researched the company and the job a little bit more. Maybe the schools could help with that, because, you know, the internet is at your fingertips, but maybe these young people sometimes do not know where to look for these things. Of course, you think, if some people cannot be ‘bothered’ to fill out an application form fully, are they going to be putting an effort into the role when they actually start with us?

[146] Another barrier might be the behaviour while the younger people are in for open days or interviews. They need to learn to be aware of their audience, so we often get issues in the lifts, for example. I know that it does not sound like a massive issue, but there are issues with swearing in the lifts and such things. So, I guess they need to be shown to be aware of the difference between being out on the street and within a working environment. Another barrier might be that, once they have got the role and have got the job, some of the younger people will sometimes not be committed to it very well and can end up failing their probation, which essentially, is being dismissed. These people might be 19 or under. It is difficult to get a job anyway, but, if you have a dismissal on your record, it makes it all the harder.

[147] When we looked at our first-year attrition rates for people, just in the contact centres, the under-19 age group had double the attrition rate of our other groups. Our best attrition rate is early 20s to 30. One reason why some of our younger people might end up leaving early is attendance and punctuality—that is one. Sometimes, as well, parts of these roles require you to learn things by rote almost, such as certain scripts, for example, and, very often, we find that they cannot do that. That might be reflective of some of their education; I do not know.

[148] The other thing, I guess, is, once they have found work with us at the entry level role, we want them to stay with us and go elsewhere in the company. For example, in marketing, which is a good area to go into from the contact centre, the entry level role there would be an

assistant. Even though these people might have the right attitude in their current role, they are—for want of a better expression—‘found out’ when they apply for these other roles, because their basic English and maths are not up to scratch. I understand that the Welsh Government, next year, is revamping the GCSEs, which is a good thing.

[149] **Ms Jones:** Rwy’n mynd i siarad yn Gymraeg, diolch. O ran y rhwystrau i waith, rwy’n meddwl fy mod i’n dod i hwn heddiw o ddau safbwynt, mewn gwirionedd: un fel cyflogwr. Mae’r Urdd yn cyflogi 260 o bobl ac, yn ddiddorol, mae 30% o’r rheiny o dan 24 mlwydd oed. Felly, rydym yn llwyddo i recriwtio pobl ifanc yn dda. Mae nifer fawr o bobl ifanc yn dod atom ar ôl gwirfoddoli gyda ni, felly mae gennym lwybr o adnabod pobl ifanc sydd am ymwneud â’n gweithgareddau ni, ac wedyn, rydym yn gallu eu hyfforddi ac maen nhw’n dod yn gyflogaion teyrngar i ni.

Ms Jones: I will make my contribution in Welsh, thank you. In terms of the barriers to employment, I think that I come at this from two different positions today, one of which is as an employer. The Urdd employs 260 people and, interestingly, 30% of them are under the age of 24. So, we do manage to recruit young people well—we are successful in that. Very many young people join us having volunteered with us initially, so we do have a pathway to identify young people who want to be involved in our activities; we can then train them and they become employees who are loyal to us.

[150] Mae’r safbwynt arall yn ymwneud, efallai, â’r hyn y mae Andrew newydd sôn amdano, sef datblygu pobl ifanc i fod yn gyflogadwy. Fel mudiad, mae gennym ddiddordeb yn y pethau hynny hefyd. Mae rhai darnau o waith ymchwil y gallaf eich cyfeirio atyn nhw—mae Prifysgol Caerfaddon wedi gwneud astudiaeth o’r effaith ymwneud â mudiad gwirfoddol ar sgiliau cyflogadwyedd pobl ifanc, gan awgrymu bod y broses o ymwneud â mudiad gwirfoddol ynddi ei hun yn arwain at wneud person ifanc yn fwy cyflogadwy, drwy ei fod wedi datblygu’r sgiliau wrth ymwneud â gweithgareddau awyr agored, cymryd rhan mewn eisteddfodau, datblygu hyder, a datblygu sgiliau. Felly, mae rôl, yn sicr, yn fy marn i, yn ogystal ag i ysgolion, i’r sector gwaith ieuenctid ddatblygu pobl ifanc, ac mae tystiolaeth bod hynny yn digwydd.

The other aspect relates, perhaps, to what Andrew has just been mentioning, namely developing young people to be employable in the first place. As an organisation, we have an interest in those issues, too. There are certain pieces of research that I can refer you to, carried out by Bath University. There was a study there of the effect that being involved with a voluntary organisation has on the employability of young people, and the process of being involved with a voluntary organisation actually leads to making a young person more employable because they have developed skills through being involved with outdoor pursuits and eisteddfodau, and they develop confidence and skills through the voluntary sector. So, there is a role, in my opinion, as well as for schools, for the voluntary sector to develop young people, and there is evidence that that happens.

[151] Mae pobl ifanc yn byw mewn byd anodd iawn ar hyn o bryd. Rwy’n siŵr bod rôl gan bob cyflogwr i ddatblygu pobl ifanc. Un o’r pethau rwyf i’n falch iawn ohonynt yw, yn yr Urdd, rydym yn gallu datblygu pobl ifanc i ddilyn gyrfa yn yr Urdd—mae mynd i’r gegin yn Llangrannog yn gallu arwain at fod yn gogydd, yn uwch-gogydd ac yn rheolwr, maes o law. Felly, mae llwybrau gyrfa—yr un sylwadau ag Admiral, mewn ffordd: unwaith y mae pobl dda gyda ni, ein dymuniad ni fyddai eu cadw nhw a buddsoddi ynddynt i’r dyfodol.

Young people live in a very difficult world at present. I am sure that every employer has a role in developing young people. One of the things that I am very proud of is that, in the Urdd, we can develop young people to actually forge a career in the organisation—starting in the kitchen at Llangrannog can lead to being a chef, a senior chef and then management. So, there is a career path—it is similar to Admiral, in a way: once we have good people in place, the intention is to retain them and to invest in them for the future.

[152] **Ms Rees:** Rwy'n meddwl y byddwn ni hefyd yn rhannu'r sylwadau a phryderon gafodd eu lleisio ynghynt, ond ryw'n meddwl mai un o'r anawsterau yr ydym yn eu gweld yw'r ffordd y mae pobl ifanc yn cyflwyno eu hunain inni o ran ansawdd eu CVs ac ansawdd eu cyfweiliadau. Mae sgiliau cyfathrebu'n gallu bod yn gymysg ar adegau—mae rhai yn hynod hyderus ac yn gallu cyfathrebu'n effeithiol iawn, ond mae rhai eraill yn eithaf swil ac yn methu cyflwyno eu hunain cystal ag y gallen nhw.

Ms Rees: I think that we would also share the comments and concerns that have already been expressed, but I think that one of the barriers that we see is the way that young people present themselves to us, in terms of the quality of their CVs and the quality of the interviews. Communication skills can be quite mixed—some are very confident and can communicate very effectively, whereas others are quite shy and cannot present themselves as well as they could.

[153] O ran bod yn barod ar gyfer byd gwaith, mae hynny hefyd, wrth reswm, yn gallu bod yn broblem i bobl ifanc, a dyna lle, rwy'n meddwl, y mae cynlluniau fel prentisiaethau a phrofiad gwaith yn gallu bod mor werthfawr i bobl ifanc ar gyfer eu paratoi. Rydym yn falch iawn o'n cynllun prentisiaethau ni, fel mae'n digwydd, ac, wrth gwrs, efallai eich bod yn ymwybodol ein bod ni wedi ennill gwobr mor ddiweddar â'r wythnos diwethaf am y cynllun yr ydym yn ei redeg ym Mhorth Teigr. Mae hwnnw'n cynnig cyfle arbennig i bobl ifanc. Mae'n cynnig hyfforddiant ffurfiol yn y sgiliau y mae eu hangen arnynt ar gyfer y gwaith, ond mae hefyd yn cynnig cyfle arbennig iddynt fod ym myd gwaith, yn hyfforddi ac yn dysgu hefyd.

In terms of being ready for the workplace, that, of course, can be a problem for young people, and that is where, I think, schemes such as apprenticeships and work experience can be so valuable to young people in preparing them. We are very proud of our apprenticeship scheme, as it happens, and, of course, perhaps you are aware that we won an award as recently as last week for the scheme that we run in Porth Teigr. That provides special opportunities for young people. It provides formal training in the skills that they need for the work, but it also provides an opportunity for them to be in the world of work, training and learning on the job.

[154] O ran profiad gwaith, eto, mae'n rhoi blas i bobl ifanc ar beth yw bod mewn sefyllfa gwaith—hyd yn oed os nad yw ar gyfer rôl arbennig, mae'n rhoi cyfle arbennig iddynt gael blas ar beth y mae hynny'n ei olygu, hyd yn oed i'r graddau bod yn rhaid ichi droi i fyny ar amser a bod yn y gwaith yn golygu eich bod yn cyfrannu'n gadarnhaol i'r hyn sy'n mynd ymlaen ac yn y blaen.

In terms of work experience, again, it provides a taster for young people of what being in a work situation is—even if it is not for a particular role, it provides a particular taste of what it means, even to the extent that they need to turn up on time and that being in work means that they have to contribute positively to what is going on and so forth.

[155] Cyfeiriodd cyfaill—a chyfeiriwyd yn gynharach, yn y sesiwn flaenorol—at anawsterau teithio ac yn y blaen. Mae hynny, yn amlwg, yn broblem i bobl ifanc, oherwydd daearyddiaeth weithiau, os ydyn nhw'n byw yn bell o'n canolfannau ni, ond rydym yn trio bod mor hyblyg ag y gallwn ni yn hynny o beth, o ran sicrhau bod eu horiau nhw'n cydfynd â thrafnidiaeth gyhoeddus ac yn y blaen, i'w galluogi nhw i fynd a dod yn haws.

A colleague referred earlier—and reference was made in the previous session—to the travel problems facing young people. That, obviously, is a problem for them, because of geography sometimes, if they live far from our centres, but we try to be as flexible as we can with that, in terms of ensuring that their hours coincide with public transport and so on, to enable them to travel easily to the workplace.

[156] **William Graham:** Thank you very much. Joyce is next.

[157] **Joyce Watson:** Thank you for all of that. I want to explore—and you have briefly mentioned some of it—how easy it is to recruit young people, and whether—I think it was Andrew who said this—you think that the focus on education, on basic skills, will help young people and, therefore, yourselves to employ young people in the future, and are you seeing any evidence of that, or is it too early?

11:15

[158] **Mr Viazzani:** I think that we are talking about the GCSEs becoming less modular in mathematics and English, and splitting mathematics up into basic skills and higher skills. From an employer's point of view, that would give us some assurance that those qualifications actually say, 'So, if someone has a C in mathematics or a C in English, that is the case, and it has not all been modular'. Certainly, the modular approach suits some other subjects, but, as I mentioned, when we have a person with the right attitude in the contact centre, sometimes, when they try to step up to a marketing role, even though they may have a C in English and in mathematics, the written skills are not there. So, we really applaud that from the Welsh Government.

[159] The Welsh baccalaureate, as well, with the employment challenge and the community challenge—my knowledge of that is a bit sketchy, but I think that that would be a good thing as well, but it would need to be really well thought out in terms of what the content is with that.

[160] **Joyce Watson:** May I ask you if you think that you have any commitment to your staff? You have identified them, they have got to a certain level, you have told us that—twice now—and they are not able then, you say, because of where they are, to progress. Do you already help and support young people to make that progression—that is my question to you—or do you think that the Government should be doing all the heavy lifting for you?

[161] **Mr Viazzani:** I think that there is a basic skills package that our guys can sign up to within work for mathematics and English. The problem, I guess, with that, is that some people will not put their hands up to not having those skills, so that is something that we have tried to work on.

[162] **Joyce Watson:** Yes, I can see that.

[163] **Mr Viazzani:** Yes, there is a commitment to try to develop these people within Admiral, but we still think that if some of these young people are unable to write something that is coherent in the first place, that is then a lot of work for employers to develop those people.

[164] **William Graham:** I call on Jeff and then Mick.

[165] **Jeff Cuthbert:** I think that we are on a very important point—

[166] **Joyce Watson:** We are.

[167] **Jeff Cuthbert:** Clearly, what young people learn and how they learn it are going to be crucial to their future development. I know that a major aspect of the qualifications review, which has resulted in the new GCSEs in functional literacy and numeracy, was the focus on what the Welsh economy needs. There is no point in young people learning skills where there is little evidence that they are of advantage in terms of getting jobs, ultimately.

[168] It is very good to hear about the mobile workshops that you have, but, of course, that depends on the nature of the operation—construction, in your case—and the resources to do

that. I take the points mentioned elsewhere that you get only one chance to make a first impression and how young people present themselves to you is very important. So, clearly, you have an interest in what is learnt in terms of the qualification structures, and the changes are coming in, as you say. Do you keep in contact with the Welsh Government, by whatever means, in terms of helping to inform future qualification design? What are, typically, the sorts of relationships that you have with schools, whether it is visiting schools to explain to young people as they come up to school-leaving age, in the case of Admiral, what you would expect them to say about why they want to work for Admiral, or how you then help schools to identify additional experiences, such as work placements, so that there is a good partnership approach?

[169] **Mr Viazzani:** We could do more in that area. We do visit schools. I guess that, from an entry-level point of view in the contact centres, it is not the most appealing thing to someone about to leave school, because they want something more exciting. So, it is hard, sometimes, to convince them that, beyond the entry-level role, there are other careers within Admiral. When we get people in—younger people—we will put them through a couple of weeks of work experience. Part of that will involve some training in interview techniques and how to conduct yourself in the workplace. It has been chequered in its success. We work with Jobcentre Plus, for example, with school leavers, and we arranged for 10 people to come in. By the end of the two weeks, there were only three people left. That was due to various conduct issues, not turning up for work and not turning up at all. So, we were combating that, but I take your point that we could probably work more in that area. There is a responsibility from us as well, I guess.

[170] **Jeff Cuthbert:** I would like to hear from others, but is that something that Admiral could address then and will address?

[171] **Mr Viazzani:** Yes, we can do that.

[172] **Mr Nicholls:** May I comment?

[173] **William Graham:** Martin.

[174] **Mr Nicholls:** Thanks for the opportunity. Even though construction, I guess, has been seen as more of a traditional apprenticeship route in the past, we still have the same difficulties with schools and the careers service about that being a choice of career. We still have—I will not say ‘the battle’—the dilemma within some schools, although it is improving and so is the careers advice that people are getting, of people being pointed down the academic route to stay on to do A-levels, as opposed to perhaps seeking opportunities within the job market at 16 or 17. Interestingly enough, because a lot of the recruitment of school leavers takes place prior to them actually getting their qualifications, we do not take the GCSE results into account because they do not have them when we recruit. However, we are recruiting apprentices for a further training programme, so we are looking at the attitude and aptitude, and we do some basic aptitude tests just to assess, because if we are going on to train gas engineers, we need to know that they have the basic understanding of maths and English to be able to undertake that function. It is quite difficult in terms of that engagement with schools and pupils and parents as part of that careers advice. It seems to be compressed into a week at the end of term, when all the employers come in and all the pupils descend and take all the free pencils off the table and disappear—

[175] **Jeff Cuthbert:** I do that. *[Laughter.]*

[176] **Mr Nicholls:** —as opposed to a longer term engagement programme between prospective employers and pupils and parents. A lot of the prejudices around the career of choice are perhaps based on some unfair perceptions of either the construction industry or

working in a call centre. So, there are areas where we can develop further engagement and the work experience opportunities need to be more along the lines of the work-related education programme where, instead of it being three or four days at the end of term, it is one day a week for 30 weeks in the last year of term, which is proving very beneficial with some of the students who are coming to us who have then gone on to secure employment at the end of that.

[177] **William Graham:** Are there any other comments?

[178] **Ms Rees:** I just want to add that, in terms of relationships with schools, I have previously touched on the work experience programmes that we run, but we also have a learning portal online, which is very helpful in terms of helping schoolchildren. In terms of education, we have recently launched the *Doctor Who* coding game, again to help children. Even with the sort of editorial end of the BBC's work, Radio Cymru has a school tour every year. Clearly, it is about the station and the programmes, but again that is a really strong relationship with schools in terms of portraying what the BBC is about to those young children.

[179] **Mick Antoniw:** You answered most of the points that I wanted to ask in response to my colleague, but I have just one additional point. Of course, a lot of young people are now out of school by the time they are actually applying for jobs and so on and, of course, they are on benefits. One of the key requirements they have in order to continue their benefits is that they have to put in a certain number of applications. Are you getting flooded by a whole series of applications that, quite frankly, are just satisfying the benefits criteria rather than being genuine applications? Is that an issue for you, and does that explain perhaps some of the comments you make about the nature of some of the applications you are getting in? Is that a problem that needs to be addressed?

[180] **Mr Nicholls:** It is difficult to know, obviously. Through our apprenticeship programme, over the last year, we had 12 apprentices recruited in September. We had 600-plus applications. Everyone was offered an interview or an assessment centre process, and about 25% to 30% failed to attend. We have put it down to that, that they are filling in the applications to tick the box and then failing to even turn up to a guaranteed interview for a potential long-term career. It is very disappointing. We do not know whether all of the 25% to 30%—so, 200 or so—were only doing it to tick the box. We do not follow that up. Perhaps that is something that we should ask as a question when they do not attend: why?

[181] **Mr Viazani:** I think that might be the case. If we advertise 20 roles in the contact centre, we will get about 400 applications. There are some application forms that stand out as almost being deliberately bad. I do not mean the brief answers; there will be a racist comment in there, or something there that you would think that anyone who wanted to get a role—even if they have that way of looking at things—would not put something like that in. We have often wondered whether, in order to keep getting the benefit, the jobcentre would ask for evidence of them applying, such as the actual application form, and look through the application form. I do not know what their time limitations are, but they could perhaps say, 'You know what, you just filled in the gaps in this to keep your benefit'. We do come across those, but of course, my guys are vetting 400 application forms, so they just put it to one side and move on to the next one.

[182] **Mick Antoniw:** That is okay.

[183] **Ms Jones:** Yn amlwg, rydym mewn sefyllfa wahanol i gyflogwyr mwy, ond profiad da iawn sydd gyda ni o gyflogi pobl ifanc. Fe wnaethon ni benodi naw prentis y **Ms Jones:** Clearly, we are in a different position to the larger employers, but we have had very good experiences of employing young people. We employed nine apprentices

llynedd, ac efallai siaradaf mwy am hynny nes ymlaen, ac mae chwech ohonynt bellach wedi cael swydd gyda ni. Felly, rwy'n deall bod anawsterau gyda rhai grwpiau o bobl ifanc, ond mae'n profiad ni o gyflogi pobl ifanc yn gadarnhaol iawn.

last year, and perhaps I will say more about that a little later, and six of them are now in employment with us. So, I understand that there are difficulties with certain groups of young people, but our experience of employing young people is very positive.

[184] **Joyce Watson:** I just wanted to come back to Martin's comment about careers advice and everybody turning up on the same day—we have all done it—and, as Jeff said, you take the pens or whatever else is on offer, because it is—

[185] **Jeff Cuthbert:** Only once.

[186] **Joyce Watson:** Only once; of course, Jeff.

[187] You made an important point and I did not quite catch what you said. Did you say that there is evidence that having that advice once a week for 30 weeks is already out there? Did you say that that was happening, or did you say that that is what you would like to see?

[188] **Mr Nicholls:** We have done it. If I am being completely honest, I am not sure whether it is still being done at the moment. We did engage with the pilot of the work-related education programme and it was a 30-week Welsh Government-funded programme. I am not sure that we have any students through that at the moment. We took about eight or 10 students through that process and we certainly found that very beneficial, as did the individuals. One comment that one of them made at the end was, 'I have realised that there is more to learning than sitting in a classroom with a pen and pencil', and actually that person went on to secure an apprenticeship with us and is still working with us.

[189] Just to pick up another point, our experience of young people when they come into employment is outstanding. We have some concerns at the recruitment stage, but when we actually get the young people into work, we have a 95% retention rate of our apprentices, which is 140 over the last few years, and 35% of our craft workforce is made up of people we have recruited through our apprenticeship programme, and they do not leave. If they can see a possible career and opportunities to develop—a bit like they can in Admiral—they are bound to us for life, and that helps us to change the culture of the organisation and helps us as a business.

[190] **Joyce Watson:** Through you, Chair, could we have some evidence about that programme? You felt it worked, so could we have something about that?

[191] **Mr Nicholls:** It was very beneficial. We can certainly do that.

[192] **William Graham:** Jeff, do you have a supplementary question?

[193] **Jeff Cuthbert:** If I could just change the emphasis slightly, as you know, the purpose of this is to examine the barriers facing young people into employment, and one of the strands and areas that we are looking at is the hardest to reach young people. I accept absolutely that, in a recruitment strategy, you have to be fairly clear, and I know where you will draw, in the main, your candidates and future employees from. However, do you go the extra mile at all in terms of social responsibility, as we tend to call it, to make sure that you do offer some places for harder to reach young people? For example, the Welsh Government has its Lift programme, which works with workless households in some of our most deprived areas, which are normally Communities First areas, and I know that they are looking for employers to work with them to offer places in the full knowledge that the young people—it could be anybody over the age of 16—have no real experience of work, and neither does the family.

So, do you have a conscious approach to programmes like that, or are you prepared to engage with that type of programme?

11:30

[194] **Mr Nicholls:** We have certainly become more conscious over the last few years. Originally, when we were recruiting apprentices, we literally just placed an advert and appointed the best candidates at the end. We were doing some engagement programmes—a Saturday morning trade school, for example—where we were encouraging youngsters who were in school, because they could not be released from school, to be able to come to those pre-training programmes. It is very much around what happens before they leave school, as opposed to after, to get them ready for that.

[195] We stumbled inadvertently, when we were looking at the council's target area approach to the Communities First initiative, across the fact that we were not getting applications from some areas. It was down to the fact that they were in deprived areas and they did not have parents who would be able to take them to those training opportunities on a Saturday morning. They could not travel because they did not have the money to be able to travel to those training opportunities. That is why we took the construction bus out to them.

[196] There is also an approach within Swansea that is referred to as 'Beyond Bricks and Mortar', which is around targeted recruitment and training. It is a little bit easier, I guess, in construction activities, but all contracts that are issued through that process, which amounts to over £1 million, includes an obligation on the contractor working for the council to provide a minimum of 52 person weeks training, and that can be work experience or a fully blown apprenticeship. We have some statistics on that to provide to the panel, if that would help, as to how many people go on to secure employment at the end of that.

[197] We are also signed up, as most organisations are, to the Welsh Government's community benefits approach and the community benefits measurement tool. Again, through construction activities, which may be a little bit easier to monitor, and through funded programmes such as the twenty-first century schools programme from Welsh Government, we are able to ensure that we can identify those opportunities. It is a balance, though, between opportunities for everybody or going the one step further of reserving placements, because ultimately we recruit based on a business decision—we are not a training organisation. So, the way we have always done it is that we have never reserved places for people from disadvantaged areas; what we have done is to ramp-up the engagement programme to make sure that they are aware of the opportunities, and that they are given the skills to equip them to apply when the opportunities come. We are now seeing that of the 30 students—we are working with Construction Youth Trust, which is targeting that for us—eight have already gone on to secure permanent employment somewhere, some with us but five with other employers, because they were given those basic skills, and that programme was only for 10 days. However, you have to do something different or they just will not apply, and that is what we are finding. We can all do some more work on that.

[198] **William Graham:** Are there any comments from others on that specific point?

[199] **Ms Rees:** Just to add that diversity is a particular focus for us at the moment. It is not traditionally BME and disability alone; it also includes the socioeconomic make-up of our workforce. We are currently recruiting for a workforce diversity lead to address that—to go out into the communities and the organisations to seek out a wider pool of applicants for the opportunities that we provide.

[200] You mentioned the Lift programme in particular. That is something that we are actively looking at at the moment, to see how we might be able to play into that programme. I

will just mention a project we were involved in over the summer. There were 15 young individuals from disadvantaged and very diverse backgrounds involved in that project, which is funded by the Arts Council of Wales. We will be offering two placements to those 15 individuals in the coming weeks.

[201] **Rhun ap Iorwerth:** Rwy'n ymwybodol ein bod yn mynd dros dipyn o dir rydym wedi ei grybwyll yn barod. I edrych ar raglenni ffurfiol Llywodraeth Cymru i geisio creu swyddi i bobl ifanc, mae sawl un ohonoch wedi cyfeirio at brentisiaethau. Gallem hefyd sôn am Twf Swyddi Cymru, sydd yn cael ei ystyried gan y Llywodraeth fel un o'i phrif brosiectau. A allwch chi wneud sylw ynglŷn â sut rydych chi wedi gweld manteision neu anfanteision rai o'r cynlluniau ffurfiol hynny?

Rhun ap Iorwerth: I am aware that we are going over a lot of issues that we have already discussed. Turning to the Welsh Government's formal programmes to create jobs for young people, many of you have referred to apprenticeships. We could also discuss Jobs Growth Wales, which is considered by the Government to be one of its main projects. Could you comment on what you believe to be the advantages or disadvantages of these formal schemes?

[202] **Ms Jones:** Fel cyflogwr, nid yw wastad yn hawdd dod o hyd i sut i gael mynediad i'r cynlluniau neu'r ariannu sy'n bosibl ei gael drwy'r cynlluniau hyn. Gyda *Jobs Growth Wales*, gwnaethom ni ambell i gais drwy is-gontractau drwy asiantaethau eraill, ond nid ydym wedi bod yn llwyddiannus, beth bynnag yw'r rhesymau am hynny. Rydym wedi ffeindio ffordd yn y flwyddyn neu ddwy ddiwethaf o gael mynediad i'r prentisiaethau. Fel cyflogwr llai, efallai nad yw mor hawdd ag y mae i gyflogwyr mwy. Felly, yr hyn rydym yn ei wneud yw gweithredu bellach fel is-gontractwr i un o'r cwmnïau sydd wedi'u contractio gan y Llywodraeth i gynnig prentisiaethau. Mae'n swnio'n gymhleth ond dyna'r ffordd y mae e'n gweithio'n fwyaf hwylus i ni. Yn y gorffennol, roedd gennym gytundeb gyda chwmni o'r enw Babcock a oedd yn darparu'r hyfforddiant i'r prentisiaid roeddem ni yn eu cyflogi. Eleni, rydym wedi dod i drefniant gwahanol gyda chwmni o'r enw ACT, ac erbyn hyn, rydym wedi symud i sefyllfa lle rydym yn hyfforddi'n staff ni i ddarparu'r hyfforddiant, gyda chefnogaeth ACT, sy'n golygu ein bod ni wedyn yn cael rhywfaint o'r budd ariannol o'r is-gontract. Felly, mae'n broses weddol gymhleth, ond rwy'n meddwl ein bod ni wedi cyrraedd pwynt lle mae gennym gytundeb sy'n ein siwtio ni ar hyn o bryd.

Ms Jones: As an employer, it is not always easy to find out how to access these schemes or the funding that is available through these schemes. With Jobs Growth Wales, we made a few bids by way of sub-contracting with other agencies, but we have not been successful, whatever the reasons for that may be. We have found a way over the past year or two of accessing apprenticeships. As a smaller employer, it is not perhaps as easy as it is for larger employers. Therefore, what we now do is work as a sub-contractor for one of the firms contracted by Government to provide apprenticeships. It sounds complicated, but that is how it works most conveniently for us. In the past, we had an agreement with a company called Babcock, which provided training to the apprentices that we were employing. This year, we have come to a different arrangement with a company called ACT, and we have now moved to a position where we train our own staff to provide training, with the support of ACT, which then means that we get some of the financial benefit from the sub-contract. So, it is a relatively complex process, but I think that we have reached a point where we do have a contract that suits us at present.

[203] Yr unig wahaniaeth mawr sydd wedi digwydd, hyd y gwelaf i, yn y cyfnod diwethaf yw colli'r £50 yr wythnos o dan gynllun *Young Recruits* y Llywodraeth.

The only major difference, as far as I can see, recently has been losing the £50 per week under the Government's Young Recruits scheme. Until this year, we employed our

Roeddem, tan eleni, yn cyflogi'n prentisiaid ni ar yr un gyfradd â'n gweithwyr eraill ni, ond gan ein bod wedi colli'r £50 yr wythnos, a oedd yn cefnogi'r prentisiaid, rydym yn awr yn talu'r cyfradd cyflog sylfaenol iddyn nhw, er bod gweddill staff yr Urdd yn derbyn cyflog byw. Felly mae impact ar yr unigolion. Rydym yn falch iawn bod y cynlluniau hyn ar gael. Mae wedi cymryd amser i ni ffeindio ffordd o ddefnyddio'r cynlluniau hyn. Nid oes amheuaeth gennyf fod y cynlluniau hyn yn ased, nid yn unig i ni fel cyflogwr, ond yn bendant i'r person ifanc rwyf wedi'i ddisgrifio yn barod, o ran ein bod ni yn eu gwneud nhw'n gyflogadwy—yn aml iawn i gael swyddi gyda ni, neu os nad gyda ni, yn sicr, gyda chyflogwyr eraill. Fodd bynnag, nid yw wedi bod yn broses syml ac mae colli'r £50 yr wythnos wedi bod yn broblem.

[204] Wrth symud ymlaen, mae gennym gynlluniau. Mae'n bosibl iawn y byddwn yn gallu symud o'r 10 i 12 prentis sydd gennym yn awr. Rydym wedi dechrau sôn am efallai hyd at 30; mae'n bosibl. Yn amlwg, bydd angen i ni reoli hynny'n fewnol a datblygu systemau'n fewnol i wneud hynny. Fodd bynnag, os yw'r cynlluniau hyn yn parhau, rydych yn gallu gweld sut y gallwn ni fel cyflogwr ymwneud â'r rheini a rhoi budd i bobl ifanc. Dyna ddisgrifiad o lle'r ydym ni ar hyn o bryd.

[205] **Rhun ap Iorwerth:** Diolch yn fawr iawn. Mae'r prentisiaethau yn sicr ar lefel uwch na Twf Swyddi Cymru o safbwynt yr Urdd. Nid wyf yn gwybod y gweddill ohonoch chi.

[206] **Ms Rees:** Mae hynny yr un mor wir amdanom ni hefyd. Mae'r cynllun prentisiaethau wedi bod yn llwyddiant mawr i ni, ac rydym yn gweithio ar y cyd gyda Cyfle i gyflwyno hynny. Rydym yn llwyddo i ddal ein gafael ar y rhan helaeth o'r prentisiaid sy'n dod drwy'r broses honno hefyd, sy'n newyddion da. Ar y cyfan, os nad ydyn nhw'n aros gyda ni, mae'n nhw'n aros yn y sector, sydd yr un mor bwysig.

[207] **Rhun ap Iorwerth:** A gaf dorri ar draws? Mae'r BBC yn greadur mor fawr. Ym mha feysydd mae'r prentisiaethau yn bennaf?

apprentices at the same rate as our other staff, but now that we have lost the £50 a week, which supported the apprentices, we are now only paying them the minimum wage, whereas the rest of the Urdd staff are earning the living wage. So, there is an impact on those individuals. What I would say is that we are very pleased that these schemes are available. It has taken us some time to find a way of actually using these schemes. I have no doubt that the schemes are an asset, not only for us as an employer, but certainly for the young person that I have described, in terms of making them employable—very often with us or, if not with us, with other employers. However, it has not been a simple process, and losing that £50 a week has been a problem.

In moving forward, we do have plans. It is more than possible that we can move from the 10 to 12 apprentices that we currently have. We have started to talk about as many as 30; it is possible. Obviously, we will have to manage that internally and develop systems internally to do that. However, if these schemes remain, you can see how we as an employer can become involved and provide benefit to young people. That is a description of where we are at present.

Rhun ap Iorwerth: Thank you very much. Apprenticeships are certainly at a higher level than Jobs Growth Wales from the Urdd's point of view. I do not know about the rest of you.

Ms Rees: That is just as true of us as well. The apprenticeship scheme has been a great success for us and we are working jointly with Cyfle to introduce that. We are also succeeding in retaining the vast majority of our apprentices who come through that process, which is very good news. On the whole, if they do not remain with us, then they remain within the sector, which is just as important.

Rhun ap Iorwerth: May I interrupt? The BBC is such a large creature. In what areas are most apprenticeships?

[208] **Ms Rees:** Yng Nghymru, mae'r rhan fwyaf ohonynt yn gweithio yn yr adran ddrama ar draws y gwahanol swyddi sydd yno. Rydym yn eu darparu nhw mewn ymateb i lle mae'r angen ar y pryd. Mae gennym ddau ym maes radio—un yn Radio Cymru a'r llall yn *Radio Wales*—un yn yr adran chwaraeon—

Ms Rees: In Wales, the majority work across the various jobs in the drama department. We provide them in response to where the need exists at any given time. We have two in radio—one in *Radio Cymru* and one in *Radio Wales*—one in the sports department—

[209] **Rhun ap Iorwerth:** Ar yr ochr dechnegol felly.

Rhun ap Iorwerth: This is on the technical side, therefore.

[210] **Ms Rees:** Ie. Wrth gwrs, mae rhagor ar draws y BBC a'r rhan fwyaf o'r rheini eto yn yr un maes.

Ms Rees: Yes. Of course, there are others across the BBC, with the majority in the same area.

[211] **Mr Nicholls:** They provide great opportunities. There is no doubt that we would not have been able to successfully recruit the number of apprentices that we have without those opportunities. So, they are successful and welcome. The only slight concerns are around, similar to what has already been said, some confusion for individuals as to accessing programmes and where the funding is to be found. I suspect that we are quite fortunate, as a large employer, but we know from speaking to small employer that they find it very difficult to know which programme pays what and where they go for the training.

[212] Given that a lot of the funding is targeted at the training providers, through the contracts that are let to the training providers as opposed to the employers, I think that employers find it quite difficult—perhaps we could look at more of a partnership approach between the training providers and the employers. I know that, in Swansea, one of the things that they have tried to do is create a portal from which young people can just access all of the opportunities in one single place rather than try to seek it out themselves—where would they go? They just want a job or they just want the training programme and apprenticeship; they do not really know the intricacies. We have been at it for 10 years and still keep stumbling across different opportunities and different funding models that may be out there. So, one suggestion would be to bring those together in a single programme or a single place; I think that that would help young people to know where to access these things and also help the employers who perhaps have not got such large workforces, and people who do this as their day job could assist. That also links into opportunities around shared apprenticeships and other things, because, of course, some employers do not have the opportunity to employ somebody full time, but they can employ them on a shared basis. There are schemes in south-west Wales that are working quite well at the moment.

[213] **Rhun ap Iorwerth:** Are you using Jobs Growth Wales?

[214] **Mr Nicholls:** We only use that through the feeder programme into the apprenticeship programme. So, we guarantee anybody who is part of one of those programmes an interview.

[215] **Rhun ap Iorwerth:** Is that useful? Obviously, what the Government would argue is that some of those going on Jobs Growth Wales would not have been able to get the apprenticeships, but there is another argument to say, 'Why do you not give them apprenticeships in the first place?' Would some of those who go on to an apprenticeship have been unable to do so had they not been on Jobs Growth Wales?

[216] **Mr Nicholls:** Probably, yes; it is difficult to look at the individual cases, but I think that what we found was—and very similar to the way that Beyond Bricks and Mortar works—that they access the opportunities from Jobs Growth Wales and Workways and we

see that as a feeder programme into an apprenticeship. So, for those who perhaps lack those basic skills that we talked about earlier or are a bit out of the marketplace and do not quite know, getting them into that training opportunity then allows them to move into an apprenticeship. It seems to be a strange way around, but there needs to be something between the two. A commitment to an employer for a four-year apprenticeship would cost anything between £60,000 and £80,000 over that period. You would need a pretty high level of certainty that it is going to be worth your while to employ the right people. We find that if you get the pre-employment and pre-apprenticeship initiatives right, then you get the right candidate who stays with you all through as a career then. That makes the investment worthwhile for the employer as well. The only other slight thing is that we do feel that the funding is geared more towards the training providers as opposed to the employers and, in reality, I guess, for a larger employer, we would carry on doing it with or without that. I think, for smaller employers, greater financial assistance would probably help significantly in terms of them being able to recruit at that level.

[217] **Mr Viazani:** I think that that is a really good point about helping the smaller employers with these schemes. A company like Admiral does not really need the money from it. I also echo the sentiments about apprenticeships—we think that apprenticeships are a good thing. We probably had some internal challenges in trying to find where the apprenticeship sits in an office environment within Admiral and we have pinpointed claims as a good area, because there is a lot of career progression within claims, technically, as well as managerially, so there are two roles—there are two ways to go there. We have just started one in customer services. So, it is very early day for us with apprenticeships, but we think that it is a good thing. I am not that au fait with Jobs Growth Wales. I believe that it might suit some smaller employers rather than the larger ones.

[218] **William Graham:** Thank you very much. Time has, once again, beaten us. We are most grateful for your evidence today. It was very much worthwhile for the committee. There will be recommendations in due course. Thank you for your attendance today. There will be a transcript prepared for you to comment on.

11:44

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd Motion under Standing Order 17.42 to Resolve to Exclude the Public

[219] **William Graham:** I move that

under Standing Order 17.42(vi) we resolve to exclude the public from the remainder of this morning's session.

[220] I see that we are agreed. Thank you very much. The formal committee meeting is now closed.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 11:44.
The public part of the meeting ended at 11:44.*

*Ailymgynullodd y cyfarfod yn gyhoeddus 13:31.
The meeting reconvened in public at 13:31.*

[221] **William Graham:** I welcome back Members, witnesses and any members of the public to our session this afternoon. The meeting is bilingual. Headphones can be used for

simultaneous translation from Welsh to English on channel 1, or for amplification on channel 0. The meeting is being broadcast, and a transcript of the proceedings will be published. I remind Members, and, particularly, witnesses, that there is no need to touch the microphones. In the unlikely event of a fire alarm, could I ask people to follow the directions from the ushers? We have apologies this afternoon from Byron Davies, Keith Davies and Gwenda Thomas.

13:32

Ymchwiliad i Helpu Pobl Ifanc i Gael Gwaith—Sesiwn 4 **Inquiry into Assisting Young People into Work—Session 4**

[222] **William Graham:** I welcome Richard Spear, the chief executive. Could I ask you to give your name and title for the record, please?

[223] **Mr Spear:** Yes, certainly: Richard Spear. I am the chief executive of Careers Wales.

[224] **William Graham:** Thank you very much. I suggest that we go straight into questions. Our first question is from Joyce Watson.

[225] **Joyce Watson:** Good afternoon, Richard. We are trying to establish what the main barriers are, obviously, facing young people trying to enter the labour market. That is what the whole inquiry is about. So, I suppose that the first question therefore has to be, in terms of Careers Wales, on how you think the lack of qualifications or engagement with people like yourself have an effect on that.

[226] **Mr Spear:** As far as we are concerned, there are three broad challenges that young people face in accessing employment and training. You could categorise the first group as personal issues: lack of confidence, lack of qualifications and lack of experience. There are structural issues, in terms of the variable economic patterns across Wales: transport and access to housing. The third category relates to perceptions; primarily here we are talking about the perceptions of employers in relation to young people. Based on our experience, the biggest category of barrier is the personal issues. Certainly, we found that when we undertook, with the local authority, a workshop with young people who are outside education, training and employment in some of the deprived communities of Cardiff, the reasons they kept coming back to were those personal ones: lack of confidence, lack of qualifications and lack of experience. So, they seem to be the major issues that we are aware of, in terms of young people aged 16 to 18 accessing employment and training.

[227] **Joyce Watson:** So, you identified the problem. Did you identify any solutions that might be helpful?

[228] **Mr Spear:** The most effective support for young people is—and this, I am sure, will come as no surprise—a tailored approach. So, what we find works best is when either our staff or the agencies that we work with in partnership sit down with young people, identify their individual needs and then produce a programme, often a multi-agency programme, that addresses the specific issues that they face. You cannot generalise about the needs of young people in this category. Some people may need help with CVs and others will not; some people may need help with confidence building, resilience and decision making. So, it is very individual and we find that it is about that approach, where you have a face-to-face diagnostic or interview with a young person and really get under the skin of the issues that they face. Sometimes, those issues are not necessarily the issues that they will present. They may present certain issues, but, when you get under the skin of it, there are often very complex issues that need to be resolved, and that then lends itself to an agency approach. We lead on the provision of independent advice and guidance, but other agencies offer a wide range of

support that is equally valid according to the needs of the individual young person. We work in partnership and, if we think that a young person needs support that is outside the services we deliver, we will refer them to a partner organisation.

[229] **Joyce Watson:** The skills that you have talked about are what are described as ‘soft skills’, very often, and yet, when we speak to industry, they talk about the hard skills—a lack of literacy and numeracy. So, I suppose the question for us, moving forward, is how we address both sides of that.

[230] **Mr Spear:** To me, that is not an either/or issue.

[231] **Joyce Watson:** No, I am not saying—

[232] **Mr Spear:** Certainly, employers identify a lack of basic skills and, obviously, Wales has a significant issue in terms of improving the literacy and numeracy of young people and adults. That is where formal training programmes come in and we have made progress in that respect in recent years, but it is a massive job to do. However, in all the employer surveys that I have ever seen, those soft skills sit right up at the top, in terms of communication, team-working ability and, basically, an understanding of how to operate within a work context.

[233] However, it is certainly not an either/or issue. There is a very clear role for training providers, and, indeed, schools, in terms of literacy and numeracy and some of those softer skills can also be developed within the same context as literacy and numeracy. It is not an either/or, but there is a wider range of organisations, I think, that can help with some of those softer skills.

[234] **William Graham:** Rhun is next.

[235] **Rhun ap Iorwerth:** You very clearly state that one-to-one contact is the most effective way of establishing what the issues are. There is a change of focus going be on you and a change of resources as well, which will make it more difficult to have that one-to one focus. How concerned are you about the effect that that will have on your ability to get the outcomes we all want?

[236] **Mr Spear:** Let us be honest, we face significant challenges—we all do—in terms of the constraints on public funding. Careers Wales is an organisation that has lost a quarter of its staff over the last couple of years and we face a £9 million reduction in our core grant going forward. So, they are challenges, Rhun, let us be honest. However, I think that a number of developments have taken place over the last couple of years that enable us to target the resources that we do have in a more efficient way. Part of that is the monitoring and reporting arrangements that we have established to underpin the youth engagement and progression framework—something called ‘the five tier monitoring system’—that really allows us now to track each individual 16 to 18-year-old and find out where they are, where they have been and how long they have been in different circumstances and tailor the more limited resources that we have to support them.

[237] We do need to look at technology in terms of how that can supplement the service that we deliver and there are tremendous opportunities there that we need to look at. However, as far as I am concerned, for the individuals who need the most support—and all of the evidence and, indeed, surveys of young people themselves in terms of their preference indicate this—face-to-face support is the most effective way to get young people back into education, employment and training. So, our focus over the last few years has been far more on that category of young people. Previously, we offered careers guidance interviews to all young people in year 11 and that has now dropped to roughly 50% of the year 11 cohort, and is targeted at those young people who need our support the most and those who are, based on

a range of indicators, more likely to drop out of education and training. So, yes, let us be honest, there are very significant challenges. There is a significantly reduced resource that we have to address the needs of young people, but we are using that resource now more efficiently and more effectively and doing so in partnership with a wider range of organisations.

[238] **Rhun ap Iorwerth:** This is something that was discussed in a scrutiny session of this committee a fortnight or so ago. I think that the Deputy Minister said that she wanted to ensure that everyone who still needed one-to-one contact was able to have it, and that that might mean the need for a review of resources in future. Do you expect that the numbers of people requiring one-to-one contact will actually be on the higher side or above what had been estimated, or hoped perhaps, by the Government in limiting your resources?

[239] **Mr Spear:** Despite the context over the last couple of years, the number of young people who are not in education, employment or training has dropped. So, I think that that is a positive. The pressures that we face are going to be challenging and there will need to be a significant change to the services that we deliver—at least some of those services. It is probably a bit premature for me to discuss what they will be at this stage. We are currently having discussions with the Welsh Government to try to seek a steer from it in terms of the vision that it has for the careers service in Wales. That is obviously a challenging process. What I would say is that we are having very positive discussions with Welsh Government officials, and, indeed, Ministers, on that front. We recognise that difficult decisions have to be taken. To a certain degree we remove ourselves from those decisions and the political context and focus on trying to get the best value for money for the investment that will be made in us. That will probably mean a significant change to our services; it may well mean fewer young people accessing face-to-face support. It will probably have a further impact on the adult services that we provide. In all of those difficult decisions, however, we will keep coming back to the needs of the individual and focusing whatever resource that we have on those individuals who need our support most.

[240] **Rhun ap Iorwerth:** I could go on, but I do not know whether anyone else wants to come in on this.

[241] **William Graham:** I do not think so.

[242] **Rhun ap Iorwerth:** Perhaps we could move on to where you signpost people to in the contact that you have with them. Could you give us your assessment of the formal job creation schemes, if you like, that Government has, and how you use them? I am thinking of Jobs Growth Wales, apprenticeships and, not where they rank, but how you tap into what is available in terms of formal schemes by Government.

Mr Spear: Okay. In terms of the formal schemes, we play—in Careers Wales—a key role in referring young people to those. So, in 2013-14, for example, we referred 4,500 unemployed young people into traineeships supported by the Welsh Government, over 700 people into apprenticeships, and 4,000 people into the Jobs Growth Wales programme and the vacancies there. These programmes have worked. They have led to sustainable outcomes. I guess that the issue that none of us can avoid is the pressure that the budgets that underpin these programmes are under. These programmes, certainly apprenticeships and Jobs Growth Wales, are not exclusively to the 16 to 18-year-old group, which I know is the interest of this committee. That just adds further pressure in terms of making sure that there are appropriate opportunities for those young people to progress into training and employment. Interestingly, what we find from a young person and people coming to our centres is that, while training there may well be a really key route for them to get a job, they do not come to us looking for training, primarily; they come to us looking for a job. Obviously, we work very hard then with employers, with a range of agencies, and, indeed, with learning providers, to get them

into jobs that also have training, but that is their sort of opening request to us, if you like. Certainly, Jobs Growth Wales has been a very successful programme, but that extends up to the age of 25. So, there is a limit on what you can do with these programmes, great as they are, with very restricted budgets. The other thing that I think is worth flagging up—and this comes back to my initial point about the individual needs of 16 to 18-year-olds—is that I do feel that we need to undertake more research. This does not need to be extensive or dragged out.

13:45

[243] We have got loads of data now on the nature of young people, and I do think that we need to start looking at how well the programmes that are developed match the actual needs of young people. It has probably been some time since we have gone out to young people to ask them what services they do want to get them into training or to employment. So, further development can be undertaken and I am sure that the data that Careers Wales now holds as an all-Wales organisation would be extremely helpful in that, but we have found that the Welsh Government-funded programmes are extremely useful to young people. I was at the Apprenticeship Awards Cymru last Friday and heard the stories of young people who have transformed their lives. It is brilliant, but, like everything else, there is a restriction on the opportunities that are available due to budget constraints.

[244] **William Graham:** Jeff is next, then Dafydd.

[245] **Jeff Cuthbert:** Earlier today—and this is a supplementary question, following on from Rhun's point—we had Llamau and Barnardo's talking to us about the work that they do with some of the hardest-to-reach young people, who otherwise could well be ignored. I am not sure whether that is actually true, but that is more or less the message that comes across. One of the issues I raised with them, and now with you, is partnership working. In terms of some of the hardest-to-reach young people, what extra mile would the careers service go, even including working with organisations like Barnardo's, Llamau and, indeed, with others like Fairbridge and the Prince's Trust?

[246] **Mr Spear:** As I said, our services focus on those in greatest need. So, the people who have those additional barriers before they enter employment are obviously a priority group. What we need to recognise is who is best placed to meet their needs. I mentioned earlier that we now have in place—and I would be delighted to demonstrate how the system works to members of this committee—something called 'the five-tier monitoring system', which basically goes from tier 1, which is not knowing where the young individuals are, or that they are lost in the system, to tier 5, which is when they are happily in employment or training. You can guess the grades as you go through. We lead on tier 3, which is young people who are not in education, training or employment, but are ready to access it and are seeking it.

[247] Tier 2 in that system relates to people who have additional support needs, and that is where we work with a wide range of partners—the youth service, the third sector—to refer these young people to those other agencies that are, frankly, better placed than we are to help them with the particular barriers that they have. Now, that, to a certain extent, has always happened. I do think we have made very positive strides in that partnership working over the last few years, and when I say 'we', I am not just referring to Careers Wales; all agencies have come together to try to better meet the needs of young people. Yes, there is a variable approach across Wales, and some areas do it better than others. The youth engagement and progression framework has, I think, clarified the responsibilities of a wide range of agencies and we are now better able to use the data that we have to refer young people to the most appropriate service.

[248] So, we would go the extra mile to support those young people, Jeff, but, often, that

support, or the most appropriate form of that support, will be us referring the young person to another agency.

[249] **Jeff Cuthbert:** Thank you. I think this is a good opportunity, then, to go on to my main question, which is about the engagement and progression framework. You will understand that I have some knowledge of that and, indeed, I have some knowledge of the transition that the careers service has been through, from the six regional companies and your overarching company to the current situation. So, I understand the practical issues that will be involved in that. Of course, it is a fact that, overall, you have less money to work with. So, it is a question of how effectively that is used, as you have said.

[250] May I ask you, in terms of progress within the engagement and progression framework and the establishment of lead workers for young people, how are these things going, in your view? How well are local authorities engaging in this progress? In terms of the specific issues that you are charged with, together with others, on the early identification and tracking of young people who are either NEET or are in danger of becoming NEET, do you feel, at this point—and I will pause after this—that there is any unnecessary competition for learners post-16? Can we streamline things a bit better—sharing resources and knowledge, for example?

[251] **Mr Spear:** Thank you, Jeff. I have got a long list of issues to work through there.

[252] **Jeff Cuthbert:** They may not be the end.

[253] **Mr Spear:** In terms of the engagement and progression framework, my quick answer would be that there has been very positive progress but that it has been mixed. Some local authorities—and let us not forget that this model came from looking at the best practice within the best local authorities in Wales—have embraced it more positively than others. Where it works well, I think we have made tremendous progress over the past couple of years. The engagement and progression co-ordinator role we see as absolutely central to the success of the framework, and, again, there have been different approaches towards that role across different local authorities. In some local authorities, that is a dedicated officer, and that works well. In some authorities, it is a member of our staff out on secondment, and that works extremely well. In other authorities, there is not actually an identified person to undertake that function; it is shared among a range of posts, and that is where perhaps it does not work as well. So, we do feel that their role is an absolutely key one, and it was a fundamental role in the design of the framework in the first place.

[254] The lead worker approach is sensible and it is working, but there is not always sufficient provision out there. Every area has had its cuts, whether it is the youth service or the third sector, and these organisations often will undertake the lead worker role for the individual. So, they are under their own pressures. However, generally, I think that it has been a very positive—and we often focus on the negative, do we not—

[255] **Jeff Cuthbert:** Not me, not me. [*Laughter.*]

[256] **Mr Spear:** This has been a very positive development. It is still early days and there is still a lot of work to do. I think that the risk going forward is of the engagement and progression co-ordinator role getting lost within all the pressures that local authorities face. But assuming that we can sustain that, I think that this framework will make a very significant difference, and what we need to think about then, collectively, is how we extend it beyond the age of 18. Great progress has been made for 16 to 18-year-olds, but there is still a massive issue in terms of people who are outside employment and training aged 18 to 24. In terms of the early interventions, again, this is something that we are continually developing, but we have made progress in becoming better at identifying the needs of young people. So, we work

with schools very closely and we track young people using a range of indicators, including attendance and various other factors, to allow us to target our resources more efficiently. I think that has been a very positive step over the past couple of years.

[257] However, the key to it all, as well as the engagement and progression co-ordinator role, which is a challenge, are the data that we now hold. I honestly cannot explain how the system works until you see it, but it gives us the opportunity to know where every young person, just about, in Wales is and what they are doing. Just to give you a practical example of how we use this, we will know how many people have moved out of Cardiff in the past month and where they have gone to. So, if we flag them up, as we do on our system, as needing additional support, we now know where they have gone to, to which counties, so our team managers in Cardiff will pick up the phone and speak to the team manager in Blaenau Gwent and say, 'Here's the detailed record of these five clients who have moved from our area to yours'. So, we now have a really powerful tool to direct our resources, and not just our resources but the resources of the partners we work with. I think that that is very positive.

[258] One thing, just looking at my note pad, is that you mentioned Barnardo's earlier, Jeff. In England, where responsibility for careers advice and guidance has basically been devolved to schools, Barnardo's has said that that is wholly inadequate. I am glad that it is not saying the same thing in Wales, because we have not gone down that track. Yes, we have pressures, but we certainly feel that the Welsh Government values Careers Wales and the service we deliver.

[259] In terms of competition, post-16, that is an issue. That is not a new one. I think that most people will be aware that there are a number of post-16 providers within the school, further education and work-based learning sectors, and, yes, there is an overlap in terms of the provision. One of the developments we are leading on at the moment is an online prospectus and application process for all provision for 16 to 18-year-olds. What we hope that will do—and it is a massive technological undertaking—is raise the awareness of young people about the range of opportunities that are available to them, because our research shows that, despite the best efforts of our staff, certainly within schools, there is a lack of awareness of some of the routes that are available out there.

[260] Extending the theme of competition beyond the provision of education and training, we are aware that there is a very significant resource being spent to support young people up to the age of 25 who are not in employment, education or training. We worked in partnership, for example, with Jobcentre Plus and Coleg Llandrillo in north Wales on a project that is due to report fairly soon, looking at how many agencies work with 18 to 24-year-old NEETs and, across the two counties, we identified 250 agencies. Half of those identified the sum of money that they spent. That came to approximately £20 million. There are 500 young people aged 18 to 24 across those two counties. That is £40,000 each. Much of that resource can be traced back to various Welsh Government sources across departments, a lot of it is lottery-funded provision and there is some big charitable trust money going in. So, there is sufficient resource out there, but it is not necessarily being used in the most coherent manner at the moment. That is not easy to address.

[261] I think that, however, coming back to the 16 to 18-year-olds, having the data that we now hold helps to co-ordinate that provision, and we would be delighted to try to extend that up to the age of 25, but there are data-sharing issues there, because young people who are unemployed go to the jobcentre and Jobcentre Plus is the lead organisation working with them. We work very closely with Jobcentre Plus, and we have an excellent relationship with it, but, as that is not a devolved function, there are data-sharing issues that we are currently working through with it. However, it is working towards the same ends as we are, in terms of a positive outcome for clients, and we are looking to see how we can get better at sharing data about young people up to the age of 25.

[262] **Jeff Cuthbert:** May I follow that up on a few points? Thank you very much for that. I am pleased to hear about good relationships with Jobcentre Plus. That is clearly important, because the client is not too worried about whether something is devolved or UK; what they want is a way forward that is right for them. So, I am pleased that you have a good relationship there, even though I am aware of some of the data-sharing issues, which I hope will be resolved fully.

[263] However, in terms of the best use of resources, you will be aware that the Well-being of Future Generations (Wales) Bill will come into force, all being equal, in April 2016, and that will require, through the statutory public service boards, all agencies, which I am quite sure will need to include Careers Wales, in terms of the planning on a sustainable basis for things like economic development, to make sure that whatever resources are available are used in the most focused and appropriate way. Has Careers Wales given thought as to how, first of all, it engages, if at all, with existing local service boards, and then, in terms of the future, to whether it will be playing a role in terms of the statutory public service boards?

[264] **Mr Spear:** In terms of the local service boards, Jeff, the project in north Wales that I mentioned was commissioned by the local service board, so I guess that that demonstrates the close links that we have there. I need to be brought up to speed on the new Bill, and I am sure that there is a role for Careers Wales in that, and that would probably be an extension of the current role that we have, where we work very closely with local authorities, local service boards and, indeed, the various regional provider boards that sit across Wales.

[265] **William Graham:** Dafydd, you had a question.

[266] **Lord Elis-Thomas:** To follow up on the project that you just mentioned in relation to Llandrillo, looking at the potential outcomes of that project and the figure that you quoted of the amount of expenditure, one of the focuses that we have in this inquiry is the whole question of effectiveness and value for money for the spend. How would you, if you were asked to recommend to us what sort of criteria you would look to apply to that situation—how would it be possible to bring about a situation where the total spend from all those resources might be better focused?

14:00

[267] **Mr Spear:** It is a huge challenge. One of the biggest issues that I think would need to be addressed, if we were to be able to come up with a comment on value for money, is a consistent criteria by which we assess the various services that are delivered. In our services—and I can obviously speak with more confidence about what we do—we have very clear systems in place to judge the quality of the provision, to measure the outcomes that we have. We have a performance measurement framework in place that looks not only at the volumes that we deliver, but at how well we deliver and whether anybody's better off as a result. So, I am quite confident in the value for money that we deliver as a service, and that has been confirmed by external experts who have come in to review us. However, it is very difficult to do that on an aggregated basis for all the programmes operating under different arrangements and with different funding streams. So, the first thing that I would suggest that needs to be done to even attempt to come up with a value-for-money perspective across the board is to try to establish some sort of consistent measurement of the outcomes that are being delivered. How you go about that, if I am honest, is a challenge that individual organisations struggle with. I will be honest and say that Careers Wales has struggled with this over the years, as every organisation in the public sector has. I think that we have made good progress on it, but to do so across a wide range of agencies and organisations, I think, would be a tremendous challenge. But it should be done, because, at the moment, I would imagine that it is very difficult—I know that the Wales Audit Office has found this—to come up with value-

for-money assurances on the significant sums that are being spent.

[268] **Lord Elis-Thomas:** Well, we spoke with them this morning, as well as the third sector. The third sector made a very strong case to us about their specific role, because of their ability to speak with young people who are disengaged from the system without being seen to be part of authority, in general terms, and they were therefore closer to being able to understand the position and the social issues, some of which you have outlined. Would you say that there is more possibility there for the third sector to participate, provided there is a clearer focus on the total expenditure relating to those in greatest need?

[269] **Mr Spear:** We are certainly aware of the tremendous contribution that the third sector can offer to young people whom, perhaps, the state sector has failed. In terms of value for money, we need to be really careful that we do not come up with a too simplistic approach, because some of the programmes delivered by the third sector may look, at face value, to be very expensive, but they are extremely intensive and very tailored, and they do lead to positive outcomes, if you consider the vast cost of young people being NEET for the rest of their lives.

[270] So, for me, we need to start looking at the long-term return on investment from the various budgets that are out there and not necessarily discounting some routes because they appear, at face value, to be more expensive. It is about what outcome you achieve for the individual, based on the circumstances that they currently find themselves in. We certainly work closely with the third sector and very much value some of the programmes that they deliver. We have seen a reduction in some of the programmes: in the Prince's Trust, for example, there has been a decrease in the programmes that it is able to deliver, but they are extremely valuable programmes for these young people.

[271] **Lord Elis-Thomas:** I have just one more on this. We have had inquiries in the past into this subject and Careers Wales in its different forms. You are convincing me very much this afternoon that where you are now is a much more effective place than where the whole careers situation was before.

[272] **Mr Spear:** Let me just say this: I think that we have made tremendous progress over the last couple of years, and that is testimony to the staff. We have merged seven organisations into one over the last two years. We have lost a quarter of the workforce, and we have had to deliver an entirely new remit. Now, the fact that there has been a relatively limited impact on that is testimony to the staff and their resilience and professionalism. However, I do not want to create the impression that the careers service was something that needed to be repaired a few years ago. We have undergone four major external reviews in the last decade, and when one was undertaken in 2009, before these changes, by Professor Tony Watts, one of the world's leading experts, who compared our performance using Organisation for Economic Co-operation and Development indicators, he stated that we were world class. I think that we were world class, and we have improved since then, facing tremendous challenges and change.

[273] If I have been talking positively about the things that have happened over the last few years, I think that is entirely right, but I certainly would not want to create the impression that, a couple of years ago, things were broken within the careers service. We have moved forward. Some of the distractions that we faced structurally and from a budget perspective have had a negative impact. Hopefully, we will come through those now. We are going through another restructuring exercise and downsizing at the moment. What we do need, however, is a period of stability, because, as I said, there is only so much you can ask of staff in terms of their resilience.

[274] **Lord Elis-Thomas:** Well, if we were to reflect on that and report from that

perspective, that might be helpful to you. Diolch yn fawr.

[275] **William Graham:** Eluned is next.

[276] **Eluned Parrott:** Thank you, Chair. You have talked quite a lot already about how you evaluate the work you do and how you assess levels of duplication in the system, but clearly in making sure that the funding that is going into careers support and advice for people who are at risk of being NEET in the long term, the question of value for money is a very important one. You said that it was difficult to give an assurance that you were getting value for money. Why is it so difficult and what information are you missing to be able to assess that effectively?

[277] **Mr Spear:** Just to be clear, that statement was about the broad range of agencies that are working to support NEETs.

[278] **Eluned Parrott:** I recognise that.

[279] **Mr Spear:** I am very confident in the value for money of the services delivered by Careers Wales, and we have a lot of external evidence to demonstrate that. The statement about difficulties in value for money relates to the fact that the various different funding programmes have different success criteria and the data on them are not collected centrally. So, that statement was not about the delivery of our services.

[280] **Eluned Parrott:** I absolutely recognise that, but clearly in terms of the amount of the funding that is going in, you said yourself that much of that funding traces its root source, via various tributaries, back to the Welsh Government. So, from a point of view of public policy, it is interesting for us to know, in your professional opinion, what data are missing that will allow us to understand whether or not value for money is being achieved with the funding that is being put into these measures.

[281] **Mr Spear:** Once again, I can comment on our services, because I am familiar with the data that we collect and the data that we report to the Welsh Government. The observation there is that, just based on that small project in north Wales, there are 250 agencies working for 18 to 24-year-olds. What I am saying is that, while this stuff may exist somewhere, I am not aware of where all of that is being pulled together to demonstrate value for money and impact. The sources of funding are going to be many and varied, but, as I said, lots of them do come back to the Welsh Government. There are probably different criteria underpinning them and they do not seem to be pulled together.

[282] The whole purpose of the project in the first place, as it happens, was to see how we can bring some efficiency to this, and I think that the findings do look positive and I look forward to sharing that report, when it is published, with the committee. However, just to give you some very broad-brush figures about the careers service, based on estimates from the Department for Business, Innovation and Skills, the UK department, there are very significant returns to getting young people doing a level 3 qualification, compared to a level 2 qualification. It is roughly £56,000 to £81,000 for each individual who makes that additional step.

[283] Last year, we offered 75,000 guidance interviews to young people in schools. The cost of that—the notional cost—was about £15 million. We would entirely recoup that cost if only 180 young people, because of our service, took a level 3 qualification rather than a level 2. We undertook 75,000 interviews. So, I am pretty confident that the investment in the careers service, and particularly Careers Wales, is a positive one and gives a very significant return. Some studies have shown £9 for every £1 invested. The challenge we face is that that return obviously comes over a long period of time and, politically, we are under short-term

pressures in terms of the budgetary decisions that have to be made. I guess that I could give you a whole range of figures—I am happy to provide those to the committee—but I am not aware of similar figures for other projects that are funded by a range of agencies, based on different criteria.

[284] **Eluned Parrott:** Okay. It is notoriously difficult, is it not, to demonstrate that one particular intervention has had a particular outcome in a population? As we move forward with European funding in the future, what we are looking for is, rather than an output-based measurement scheme, an outcomes-based measurement scheme, which is much more challenging to do. It is not about how many interventions or interviews there have been, but how effective the interventions that have been paid for have been in effecting a change and changing behaviour. How are you moving towards measuring these longer term outcomes if it is so challenging to do so?

[285] **Mr Spear:** It is difficult. For many years, Careers Wales reported to the Welsh Government as separate organisations on volumes—outputs. Probably about two or three years ago, when we were going through the merger process, the requirement for us to do that was removed. If I am being honest, we probably left a bit of a void as a result. Some staff thrived within that flexible context and others needed more direction. The performance measurement framework that we have recently introduced still measures how much, because in making that transition you still need to account for public money and give an indication of the volumes that you deliver. However, our performance measurement framework now has three aspects: how much, how well services are delivered, and in that we have internal assessment arrangements in place that measure the quality, for example, of the guidance interviews that we deliver, and then you have a question asking whether anyone is better off at a result. That last question is the most difficult one to answer, and we are embarking on aiming to do that through the external evaluation of our services.

[286] **Eluned Parrott:** In terms of trying to work out whether the behaviour of a population has changed as a result of the interventions that have been made, if you want to do that, then some kind of longitudinal work such as tracking those individuals is likely to be necessary, in the way that, for example, universities do destination statistics. I would be keen to see universities doing destination statistics for far longer than only six months after students have left. To what extent are you doing that with the people who have had more detailed access to your services, for example, the interviews? Are you able to track and monitor whether they have taken you up on the advice that you have given?

[287] **Mr Spear:** We do that in a limited manner at the moment. We have a new evaluation framework in place as part of our performance measurement framework, which will seek some of these answers going forward. We can give snapshots. We do follow up with clients. For example, independent evaluation research showed that 96% of young people in year 11, after they had left, were of the view that their guidance interview from Careers Wales had helped them. That is positive. What we have not done, however, is to keep going back to the same cohort and tracking them. That is something that we would like to do in the future. It is probably easier for us to do that now that we are one organisation across Wales. There is always a cost, however, to evaluation and obviously we are under significant cost pressures. However, from my perspective, we do need to have these data because it is the data that will help us to develop and shape the service as we go forward. So, we have taken loads of snapshots of people who have accessed our services, but we have not followed the same group over a long period of time through longitudinal research. That is something that we are interested in looking at.

[288] **Eluned Parrott:** Thank you. I am sceptical of happy sheets; as I have a background in marketing, I have produced many of them in my lifetime. In terms of whether or not people enjoyed your service, as opposed to whether or not people actually changed their future on the

basis of it, that is the difference that we are trying to establish, is it not?

[289] **Mr Spear:** It is. 'Valued' is the word I used rather than 'enjoyed', I think, but I take the point.

[290] **Eluned Parrott:** There is just one final question from me. You talked about how different funding bodies have a lot of different requirements in terms of how they measure not only value for money, but also the effectiveness of the programmes that they are doing. May I just check in terms of the services that you are providing, how many different sources of funding do you have? Are you solely funded by the Welsh Government or do you run projects on behalf of other funders?

[291] **Mr Spear:** The vast majority of our funding comes from the Welsh Government as we are a wholly owned subsidiary. We do have small sums of money from other sources, primarily project money from local authorities. Just about every pound that we receive is of public source in some shape or other. We have, in the past, accessed European funds as well and we are currently working with the Welsh Government on developing some new European projects, which are at a relatively early stage. However, as we are owned by the Welsh Government, and we were established under something that is called a 'technical exemption' we are restricted on the ability to secure commercial income.

14:15

[292] **Eluned Parrott:** Okay. Thank you, Chair.

[293] **William Graham:** Just a slight digression, but this morning we heard some powerful and emotive evidence from Llamau and from Barnado's on their particularly difficult and challenging groups. Although there was no criticism, but in fact praise, for the engagement and progression co-ordinators' work, there was a suggestion that there might be a tier below that, because the sort of people that they are dealing with are not able to engage with what you provide.

[294] **Mr Spear:** In terms of the tier, do they mean a tier below the services that we offer?

[295] **William Graham:** It is below your level, if you see what I mean. That they are so challenging in terms of the problems that they have, that they need, first of all, one-to-one support, and that what you provide is slightly too good for what they really need at that time.

[296] **Mr Spear:** What you described there is really the basis of the engagement and progression framework and that thing that I referred to earlier, namely the five-tier model. So, for tier 3, we are the lead agency. Individuals who are categorised as tier 2 do have those additional support needs, and Llamau, Barnado's, the third sector and the youth service are the key agencies in supporting their needs. So, I would agree with what they have said, basically. We are not able to support the needs of some clients, if they are not ready to access careers advice and guidance. What we can do now is refer those individuals to other agencies and monitor how long they spend with other agencies before they progress back up the five-tier model.

[297] **William Graham:** The other point is this: you touched earlier on some information that you had regarding the actual cost of providing some services. Could we ask you to provide that to the committee?

[298] **Mr Spear:** The cost of providing our services—

[299] **William Graham:** Please.

[300] **Mr Spear:** Yes; no problem.

[301] **William Graham:** We are very grateful. Jeff is next.

[302] **Jeff Cuthbert:** We know about the work with schools. What is your relationship with further education and the work-based learning providers like?

[303] **Mr Spear:** Most of our activity is delivered in schools. We have an excellent and very close relationship with further education and work-based learning. In terms of work-based learning, we act as the referral agency for traineeships. We are very keen to promote the opportunities that are available to young people in terms of apprenticeships and various other training schemes that are out there. In further education, we often have members of staff who are based in further education colleges. Our work there is primarily supporting colleagues, if I come back to the five-tier model, who are in tier four, which is those who are in education or training, but are in danger of dropping out. So, we work with the colleges and with work-based learning providers, and those institutions and organisations will let us know which of their young people are potentially at risk of dropping out. We will provide services to them to try to keep them on in education or training, or look for alternative opportunities for them if the ones that they are in at that point are not appropriate.

[304] **Jeff Cuthbert:** If I may, the reason that I asked that question is that it has been said to me that when a child is coming up to compulsory school-leaving age, very often there is a pressing by the school for them to stay on for sixth form, whereas, in fact, their needs might be better served in an FE environment, or in a practical vocational environment. Do you find that, and does Careers Wales have a role to play in some form of intervention or advice?

[305] **Mr Spear:** Yes and yes, I guess there, Jeff. We are aware that young people come under a number of influences—parental and within the school—and are often directed towards staying on in sixth form despite the fact that that may not be the most appropriate opportunity for them. Even though we are impartial in the provision of information, advice and guidance, we are very keen to raise the awareness of young people of the range of training and learning opportunities available to them.

[306] **Jeff Cuthbert:** Okay; thank you.

[307] **William Graham:** Just one other thing, if I may, to ask your opinion on. We have heard a lot of evidence and opinion regarding the level of students that come forward for training. Often, the criticism is that they are not able to read and write, as it were, or not able to attract the right level of numeracy. Would you subscribe to that?

[308] **Mr Spear:** Yes. We have extensive data now available on young people, including qualifications levels, and it is a massive issue. I know about this anecdotally, and FE colleges often speak of the need to provide basic-level training before an individual can move on to the provision that they should be delivering. So, it is an issue; it is not new and it has been around for a long time, but, yes, we see that as well.

[309] **William Graham:** On the evidence that you have, would that be fed back into the education system?

[310] **Mr Spear:** Yes, again, this is the new model that we have that collects data on all 16 to 18-year-olds. Primarily, we would use that to feed back to the Welsh Government, but we do also share some of the data, bearing in mind data protection issues, with providers.

[311] **William Graham:** Right. Splendid. Do Members have any other questions? I see that

you do not. Thank you very much. As ever, Richard, you have given us cogent and succinct answers. Thank you very much for your evidence today. There will be a transcript in due course. Thank you for your attendance.

[312] **Mr Spear:** Thank you.

[313] **William Graham:** That brings our meeting to a close.

*Daeth y cyfarfod i ben am 14:21.
The meeting ended at 14:21.*