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ESF West Wales and the Valleys OPERATIONAL PROGRAMME

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Foreword by Jane Hutt, Minister for Finance and Government Business, Welsh Government

This Operational Programme is an essential component of the 2014-2020 Structural Funds suite of programmes as it represents the Welsh Government’s agreement with the European Commission on what we will deliver. It is the result of extensive partnership working across Wales and reflects the outcomes of a rigorous evidence-based analysis and negotiation process over the past few years.

This version of the Operational Programme has been produced to present the same information in a more accessible format than that prescribed in the formal version, which requires the use of a set template. This version uses exactly the same text as approved by the European Commission, providing all the detail necessary for the development of operations and programmes, but presents it in a more easily digestible format. The full, formal Operational Programme, along with all supporting annexes, is also published on WEFO’s web pages; but I hope you will find this version of the primary document helpful to use in developing your funding proposals.

There are a number of exciting opportunities identified in the new Wales programmes and our aim is to take full advantage of these. The programmes identify the key challenges facing the Welsh economy and labour market. Some of these are structural issues and may take decades of sustained investment (by both the private and public sectors) to address. Structural Funds have a key role to play in this transformation, but we will need to target this funding alongside all other sources of investment to maximise impact.

In designing the new Structural Funds programmes we have incorporated three core design principles to ensure we are well placed to take advantage of opportunities, address challenges and complement other investments:

- **Concentration**: To focus on fewer things in fewer places for greater impact;
- **Integration**: To ensure EU investments work with each other and with wider investment programmes across the public and private sectors; and
- **Simplification**: To make it easier to access and administrate the funding.

The principle of **concentration** has been widely welcomed in our consultation with partners and by the European Commission. Over the years, Structural Funds have supported a large number of investments, aimed at improving the lives of individuals, supporting businesses and strengthening infrastructure across the whole of Wales. I would encourage you to look at some of the inspirational case studies available on the WEFO web pages as evidence of the successes achieved. The stronger strategic focus of the 2007-2013 programmes brought greater coherence to our Structural Funds investments; we must now build on this in our 2014-2020 programmes.
To provide this focus – and to ensure that issues of technical eligibility do not become the dominant feature of discussions about funding priorities – the 2014-2020 Structural Funds have a clear emphasis on outcomes. The programmes do not look to specifically limit eligibility (what activities we will fund) but instead focus on results (what the programme should aim to deliver). WEFO will demand this same shift in emphasis in discussions with partners about potential funding proposals. First and foremost, WEFO needs to understand what results each proposal will deliver (and how this contributes to the overall results set out in the programmes). The exact activities are therefore a means to an end, rather than the end in themselves. Within this document, particular attention should be placed on the sections under each Priority Axis which set out the results we want to deliver; as WEFO will be looking to fund proposals which can demonstrate a contribution to those results.

We have placed a high priority on identifying opportunities for integration since we first began developing our new programmes. All Welsh European Structural and Investments (ESI) Funds (the collective name for the EU Structural, Rural and Fisheries Funds) have been designed to complement each other. For example, for the first time the Structural Funds can be used to support farming and fisheries where that support meets Structural Funds objectives. There are a number of areas in which we hope to see joint working across these funds, including in energy, business support, skills and RD&I.

But the ESI Funds do not operate in isolation; wider links to other investments are also essential to deliver more for Wales. There are significant opportunities to access other funding streams across the UK, Europe and beyond; this Operational Programme identifies those of most relevance for each Priority Axis. Perhaps most importantly for the success of the Structural Funds programmes is that they dovetail with – and add value to – key investments across the Welsh economy that have already been made, are currently underway, or which are now being planned. Only by adding value to those investments can we hope to achieve genuine transformational change and tackle the structural challenges highlighted in our Operational Programmes. To help identify these links and plan investments in an ever-evolving investment context, we have implemented the findings of an independent review by Dr Grahame Guildford and developed an Economic Prioritisation Framework (EPF). This document complements the Operational Programmes by providing a snapshot of what else is happening in the Welsh economy. WEFO will be looking for evidence from operations that they can both deliver against programme objectives and results, and also that they fit into, and add value to, the wider investment context set out in the EPF.

Simplification remains a key objective, as we strive to simplify complex EU regulations and compliance requirements as far as we possibly can. There will always be things we cannot change, but we have sought to harmonise the requirements across each of the different ESI funds as far as possible, establishing common Welsh rules and terminology. WEFO is also introducing simplified costs, shorter document retention periods and reduced audit burdens for the 2014-2020 programmes. A key feature for 2014-2020 has been the decision to avoid wholesale changes from the 2007-2013 programmes. Where changes have been made they either reflect new regulatory requirements or are genuine simplifications. Our partners have requested continuity and consistency. Independent reviews from Dr
Guilford and the Wales Audit Office point to generally effective implementation systems that only need fine-tuning rather than fundamental reconstruction. Extensive guidance documents on WEFO’s web pages explain the key changes.

Over successive funding periods we have made important strides in improving monitoring and evaluation of our investments. We are keen to continue to improve the way we report on and measure success. For 2014-2020 we want to be able to communicate the achievements of projects and programmes in new ways that make sense of the immediate and potential longer term impact that our investments are having. This will also be a key consideration of the Wales Programme Monitoring Committee, papers for which are all published on WEFO’s web pages. Our Monitoring and Evaluation Plan is also published on the web pages and sets out in detail how we aim to monitor and evaluate progress across the programmes during the funding period.

I also want to take this opportunity to thank the many partner organisations and individuals across Wales that have contributed to the development of the 2014-2020 Structural Funds programmes since work on these began in 2012. This extensive and extremely productive partnership working has served to strengthen the programmes throughout the drafting and consultation processes and we are very grateful for that support. Our commitment to partnership does not end there - WEFO has a number of partnership groups meeting regularly to discuss various aspects of the programmes’ delivery, not least the Programme Monitoring Committee. WEFO will also be strengthening engagement with regional partnerships to support delivery and to help ensure investments take account of regional economic development priorities.

Finally, I would encourage organisations to get in touch with WEFO at an early stage in the development of project ideas (0845 010 3355 or http://wefo.wales.gov.uk/applyingforfunding/?lang=en). WEFO can help you to navigate the various opportunities offered by the programmes and provide help and advice along the way. The aim is to work with those organisations which offer the best ideas to develop fully fledged proposals, supporting the preparation of business plans stage-by-stage. I would encourage all potential applicants to take full advantage of the full range of support WEFO can offer from the earliest stage.

Jane Hutt
Minister for Finance and Government Business
Contents

Strategy for ESF in West Wales and the Valleys ....................................................... 7

Summaries of Financial Allocations, Results and Performance Framework ................................................................. 28

Cross Cutting Themes: Sustainable Development ...................................................... 34
Cross Cutting Themes: Equal Opportunities ............................................................... 37
Cross Cutting Themes: Tackling Poverty and Social Exclusion ............................... 41

Priority Axis 1: Tackling Poverty through Sustainable Employment ............... 54
Specific Objective 1: To increase the employability of those closest to the labour market at most risk of poverty. ................................................................. 56
Specific Objective 2: To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment................................................................. 62
Specific Objective 3: To reduce underemployment or absence rates for employed individuals with work limiting health conditions and/or other barriers to sustainable engagement with the labour market. .................................................... 70

Priority Axis 2: Skills for Growth .............................................................................. 85
Specific Objective 1: To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills............................................. 87
Specific Objective 2: To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.............. 93
Specific Objective 3: To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise. 100
Specific Objective 4: To improve the position of women in the workforce...... 108

Priority Axis 3: Youth Employment and Attainment ............................................. 120
Specific Objective 1: To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET). ....................................................... 122
Specific Objective 2: To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds................................................................. 129
Specific Objective 3: To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds. ................................................................. 134

Specific Objective 4: To increase the skills of the Early Years and Childcare workforce. ........................................................................................................... 140

Priority Axis 4: Technical Assistance .......................................................... 152

Specific Objective 1: To ensure the efficient and effective management of the 2014-2020 programmes. .................................................................................. 153

Specific Objective 2: To provide high quality advice to key partners involved in the design and delivery of operations......................................................... 153

Specific Objective 3: To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes. .................................................................................. 154

Integrated Approach to Territorial Development ........................................ 159

Role of Relevant Partners ............................................................................... 163

Reduction of the Administrative Burden ..................................................... 171

Glossary of Common Acronyms .................................................................... 173
Strategy for ESF in West Wales and the Valleys

Introduction
1. The European Social Fund (ESF) programme strategy for West Wales and the Valleys (WWV) sets out how the 2014-2020 ESF programmes will focus on supporting high quality, strategically aligned operations which operate in a cohesive and coordinated manner with wider domestic programmes.

2. A full Socio Economic Analysis has been undertaken to identify needs, challenges and opportunities across WWV. This has been subject to ex-ante evaluation and represents a robust evidence base upon which this strategy is developed (as part of a suite of European Structural and Investment (ESI) fund programmes in Wales). This establishes the rationale for the investments across all the ESI fund programmes and will be published with the programme documents.

3. The Welsh Chapter of the UK Partnership Agreement sets out a strategy for the use of the ESI funds together to deliver a coordinated suite of investment programmes providing a summary of the analysis of disparities, needs and growth potentials across the Welsh economy and labour market. The UK Partnership Agreement specifically considers links to the UK Country Specific Recommendations and the Commission Position Paper on the UK for each of the main Thematic Objectives.

4. In relation to both the Treaty goals and the Europe 2020 (EU2020) goals it should be noted that the Welsh Government has placed sustainable development and equality as its central organising principles and they are also at the core of these programmes. This means all development needs to achieve an appropriate balance between economic, social and environmental outcomes, recognising that each is mutually reinforcing.

Needs and Opportunities in the WWV Programme Area
5. The Socio Economic and SWOT analyses that underpin this strategy identify a range of opportunities that can be exploited and challenges to be overcome if WWV and Wales are to see economic growth and, through that, the creation of sustainable job opportunities for their citizens.

6. Prior to the 2007 economic downturn and subsequent recession, Wales and WWV had begun to make clear progress in tackling some of the long-standing structural, economic challenges. Previous rounds of EU Structural Funds investments, developed at a time of growth in the Welsh economy and labour market, made an important contribution to this enhanced position.

7. Whilst the economic downturn has impacted severely upon WWV, progress made in reducing gaps with the wider Welsh and UK economy has not been lost entirely. Nonetheless, in preparing for a further round of Structural Fund programmes in 2014-2020, the current economic and labour market conditions in WWV are very different from those existing at the same stage of preparations for previous programmes.
8. At the start of the new programme round in 2014, it is anticipated that the WWV economy will not have recovered to its pre-recession state and that several labour market problems, such as high youth unemployment, a low skills mix and high numbers of workless households will remain.

9. WWV covers an area of 1.24 million hectares, comprising 15 Local Authority areas. The 2011 census showed that the area has a population of some 1.9 million people, 51% of whom are female, 14% are disabled and 3% are ethnic minorities. In 2011, 30% of the population were under 25, 51% were 25-64 and 19% were 65 and over.

10. Population projections in Wales suggest the population will increase to 3.17 million in 2020 and to 3.31 million in 2035. Statistics do not exist at the WWV programme level however trends are likely to be similar to Wales level data. The main driver of population growth is considered to be net migration. Overall the number of children under 16 is projected to increase by 3% between 2012 and 2035. The 16-64 age group is likely to decrease by 3% with the over 65 age group projected to increase by 47% over the same period.

11. Gross Value Added (GVA) per head in WWV between 2010 and 2012 was approximately £6,000 lower than GVA per head in the UK. The majority of this gap is explained by lower value added per job (broadly speaking productivity). Lower employment, net out-commuting and a relatively high dependency ratio also contributed to the gap in GVA per head.

12. The productivity gap is influenced by: an adverse industrial structure / mix; poor skills mix; a lack of agglomeration effects (where firms gain benefits from proximity to other firms or a large urban economy); and lower levels of capital. The Socio Economic Analysis shows that around 60% of private sector employment is in SMEs (33% in micro-businesses of up to 9 employees, and 27% in other SMEs).

13. Poverty and the consequences of poverty remain a challenge particularly in the current economic environment and when set in the context of an EU2020 target of 20 million fewer people at risk of poverty across the EU, The 2014 UK Country Specific Recommendations (CSR) also identifies the importance of continuing efforts to reduce child poverty in low-income households. Latest figures (Wales figures only for the three years ending 2011/12) show that relative income poverty for working age adults (where a household is living on 60% or less of the UK median income, after housing costs) was slightly higher than ten years previously (23% and 22% respectively). In-work poverty also constitutes a greater proportion of those in relative income poverty than 10 years ago.

14. As recognised by the 2014 CSR’s the UK Governments Welfare Reform Agenda and The Welfare Reform Act 2012, introduces the greatest changes to welfare benefits in 60 years. Although reform of welfare benefits is a non-devolved matter, the reforms are expected to have far reaching consequences with significant implications for devolved services, individuals and communities in Wales. A report by the Institute for Fiscal Studies and research from the

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1 Joseph Rowntree Foundation (2013); Monitoring Poverty and Social Exclusion in Wales 2013
Welsh Government suggest that the reforms will be largely regressive in Wales. The report suggests that impacts on people across the country will be negative with a potential to increase poverty for those on low incomes and furthest from the labour market and groups with protected characteristics such as women, disabled people and black and ethnic minority groups (BME).\(^2\)

15. The employment rate in WWV for the 20-64 population was 70% in 2012, lower than both the Wales and UK average and significantly below the Europe 2020 target of 75%. The socio economic analysis states that this lower employment rate in WWV accounts for 15% of the overall GVA gap. Employment rates in WWV have varied significantly during the recent economic downturn depending on location and qualification level. Employment rates increased between 2000 and 2005, however there was a sharp decline in 2009 when the UK wide recession was at its most severe.

16. Employment rates for those with NQF level 4 and above remained constant at around 86%. In contrast, employment rates for those with low or no qualifications have declined sharply to as low as 39%. This decline reflects an overall decline in the traditional low-skilled industries in Wales and is further emphasised through evidence which shows the areas with the lowest employment rates are in the South Wales Valleys. It is also worth noting that the redundancy rate in WWV for the year ending 31 March 2012 was 0.9%, compared to 0.7% for both Wales and the UK as a whole,\(^3\) showing that the WWV area has been more adversely affected by the recession.

17. The Socio-economic analysis also shows under-representation in employment amongst women, ethnic minorities and disabled people at 62.3%, 53.2% and 42.5% respectively (compared to 70% for the 20-64 population as a whole).

18. Unemployment in WWV in 2012 was 8.4%, with long term unemployment at 35.5%. Although the unemployment rate in WWV has stabilised over the last few years following a sharp increase in 2008, it was still higher in 2012, than both Wales (8.3%) and the UK (7.9%). Unemployment rates among disabled groups and ethnic minorities are significantly higher in WWV, at 11.7% and 14.5% respectively.\(^4\) These rates are higher than both the Wales and UK averages. Youth unemployment (15-24) rose sharply following the economic downturn to 26.8% in 2010 but has since shown signs of recovery, reducing to 23.8% in 2012.\(^5\) Evidence also suggests that of those who are unemployed a significant proportion of these had low or no skills.\(^6\)

19. Employment policy in Wales is a non devolved competence and is the responsibility of the UK Government. The Welsh Government provides a

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\(^3\) Annual Population Survey 2012

\(^4\) Office for National Statistics; Annual Population Survey (2012)

\(^5\) Data from Eurostat unless stated otherwise.

\(^6\) Office for National Statistics; Annual Population Survey / Local Labour Market Survey
Strategy for ESF in WWV

supportive policy context to target areas where it can complement and add value to mainstream provision. Supporting people into work is seen as a critical solution to reducing poverty in Wales. The Tackling Poverty Action plan and the Child Poverty Strategy in Wales are two key documents which outline the Welsh Governments approach to support individuals to access sustainable employment with simplification and integration of programmes the main underlying principles.

20. A population with a relatively poor qualifications profile and a relatively low employment rate, along with the potential impact of UK welfare reforms, add additional challenges to reducing poverty in WWV. In the UK, of those households in poverty, 72% were classed as workless with one or more unemployed. The UK itself has a higher proportion of children living in workless households than almost any other EU country.

21. Whilst figures do not exist for Wales or WWV, it is reasonable to assume that a similar pattern holds true. WWV has a higher percentage of workless households (23.2% / 139,000 households in 2012) than the Wales (21.5%) and the UK (18.1%) averages. In WWV in 2012, 16.8% of Unemployed individuals and 52.4% of Economically Inactive individuals were from a workless household. Evidence shows that there is a close correlation between worklessness and poverty. The 2014 UK CSR’s recognise the importance of reducing child poverty in low-income households. Poverty has a negative correlation with educational attainment and skills and children from poorer or disadvantaged backgrounds and whose mothers have no qualifications have lower educational and occupational outcomes than other children.

22. Inactivity rates have been declining in WWV over the last decade. In 2012 the rate of inactivity excluding students was 23.8%, dropping from 28.1% a decade earlier, a drop of just over 4%. However, this figure remains higher than both the Welsh (22.2%) and UK (19.3%) averages. In 2012 inactivity rates in WWV were highest amongst the disabled population (51.2%) and amongst older workers (36.4%). Long term illness at 35% is the single largest underlying factor of inactivity, looking after family / home accounted for 28%. Evidence also suggests that a significant proportion of those who are economically inactive have low or no skills (level 2 or below).

23. The 2014 CSRs make reference to the importance of addressing skills mismatches and increasing provision of more advanced and higher level skills. The qualifications profile of the workforce in WWV has improved in recent years, however the Socio Economic Analysis shows that it remains on average weaker than for the UK as a whole. In 2012, 51.2% of working age adults in WWV have an intermediate (NQF level 3-4) or above while, in comparison to UK figures, the proportion of people qualified to NQF level 4 and above in WWV is relatively low at 29.9% (UK rate of 37%). Of the four constituent nations of the UK, Wales also has the lowest percentage of working age adults qualified to

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7 Office for National Statistics; Annual Population Survey household datasets
9 Office for National Statistics; Annual Population Survey
10 10 Office for National Statistics; Annual Population Survey / Local Labour market Survey
NQF Level 7-8 (8.1% for England, 8.2% for Scotland, 7.4% for Wales and 7.5% for Northern Ireland). The percentage rate for Wales, at 7.4%, is also below the UK average of 8.1%. Meanwhile, the proportion of people with no qualifications in WWV is also relatively high at 11.8%. It is important to note, however, that significant gains have been made in these areas since 2001; with increases of 9.4% in the proportion qualified to NQF level 4 and above and reductions of 11.1% in the proportion of those with no qualifications.

24. Of those working age adults in employment in Wales, the most recent figures show that 6.9% of working age adults in employment have no qualifications at all, 14.1% have below NQF level 2 qualifications, 21.7% have qualifications at NQF level 2, while 57.3% are qualified to NQF level 3 or above and 37.2% are qualified to NQF level 4 and above.

25. Wales performs well against the EU2020 target for at least 40% of 30-34 year olds to have completed a tertiary or equivalent education. At 41% Wales is above the EU average of 35.8% (2012) however, WWV is below this at 35.7%.

26. Although current demand for skilled individuals is relatively weak across the UK, the labour market demand for employees with higher skills is projected to grow as more high skilled jobs are created within the economy, as recognised by the 2014 CSRs. The fastest declining occupational groups are clustered around NQF Level 2 and below; in 2000, around one third of jobs were held by people with no or low level qualifications but by 2020 this figure is projected to fall to just over one fifth. Meanwhile, intermediate and higher level occupations account for the largest share of employment in the Welsh economy and are expected to be the main source of future jobs growth, with the fastest growing occupational groups requiring skills at NQF Levels 3, 4 and above.

27. By 2020, more than two-fifths of jobs are expected to be held by people with higher level qualifications (level 4 and above). Wales also has a large concentration of employment at an intermediate level and intermediate occupations are projected to contribute more than one third of future job openings. Increasing the labour market relevance of education and training will be a key challenge for all the ESI funds as will be the use of labour market intelligence to inform investments.

28. Supporting the development of our young people will impact on a number of the key EU2020 targets centred on increasing employment, tackling poverty and social inclusion and reducing early school leaving, as well as directly contributing to the 2014 CSR to improve skills to meet employer needs and to reduce the number of young people with low basic skills. A focus on youth which supports attainment and transition through education and into employment will be vital in achieving the EU2020 target for Early School Leaving (ESL) of less than 10%. ESL in Wales at 16.9% is above the EU

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11 UKCES (November 2012); UK Skill levels and international competitiveness Evidence Report 70
12 UKCES (2012), Working Futures Report for Wales. Summary Report for Wales, October
13 UKCES, Wales Future Skills Assessment
14 UKCES, Wales Future Skills Assessment
Strategy for ESF in WWV

average and significantly higher than the EU2020 target, with WWV higher at 17.5% in 2012.\textsuperscript{15}

29. Education attainment levels of 15 year olds as measured by PISA are also lower in Wales than the rest of the UK and significantly below the OECD average, with poor attainment in numeracy and science and a visible gender gap in these topics, with boys scoring significantly higher than girls.\textsuperscript{16} Level 2 examination results\textsuperscript{17} at age 16 in WWV (47.8%) are lower than the Wales average (48.7%) and significant local variations exist, with some areas as low as 34.1%.

30. Welsh GCSE entries for Science, Technology, Engineering and Mathematics (STEM) subjects have declined by 12% over recent years,\textsuperscript{18} with a corresponding decrease in attainment levels during the period 2008-2013. However, GCSE attainment levels among girls compare well to boys, with a higher proportion of girls gaining GCSE Grades A*-C in 2013 in Biology, Chemistry, Science and Additional Science. However, there is a sharp decrease in participation levels in STEM subjects post 16, especially among girls, with Welsh figures lower than the rest of the UK\textsuperscript{19}. With the exception of ICT, the proportion of A level students taking STEM subjects has declined over the period 2001-2013. In 2013, 17% of male A level students were taking science, while the equivalent figure for girls was 10.7%. For ICT and CDT\textsuperscript{20} subjects, the figures are 10% for boys and 5% for girls. A level biology and physics grades achieved by Welsh students are also lower than English students.

31. This trend continues into higher education, with the proportion of females enrolling in STEM subjects being lower for Wales than the UK. Women are particularly underrepresented in specialist technical subjects such as Mechanical Aero and Production Engineering, the proportion of first degree students who are female is only 9.6%.\textsuperscript{21} Engineering UK projections forecast a significant shortfall in the availability of suitably qualified individuals (at all qualification levels) over the next ten years.

32. Previous data shows the high levels of youth unemployment compared to unemployment generally. Young people are finding it harder to access work and move from education into employment in a highly competitive labour market which is becoming more congested as people work later in life. These

\textsuperscript{15} Eurostat; last update 26/06/13; date extracted 03/09/13.
\textsuperscript{17} Office for National Statistics and Annual Population Survey
\textsuperscript{18} The Welsh Government (2012), Science for Wales, A strategic agenda for science and innovation in Wales
\textsuperscript{20} Craft, Design and Technology
same pressures also impact on those furthest from the labour market and the economically inactive who are trying to get back to sustainable employment.

33. In Wales the number of 19-24 year olds who are NEET in 2012 markedly increased to 23% following the 2008 recession\(^{22}\) (data for WWV is not available separately for the 16-18 and 19-24 age range however, most recent estimates for WWV shows the NEET rate for 16-24 year olds at 19.8\(^{23}\)%). However, the proportion of 16-18 year olds who are NEET has remained fairly constant at a rate of between 10-13% over the years 1996 to 2012. This would indicate that non-engagement for the 16-18 cohort is a structural and persistent issue which is present through all economic conditions. This illustrates a need to target specific tailored early interventions at addressing the requirements of this cohort, particularly at those pre 16 who are at greatest risk of becoming NEET.

34. For those who are NEET, and in line with the 2014 CSRs, particular attention should be given to providing higher and more relevant skills and key competences to improve employability and tackle barriers to employment. In Wales 21% of 16-18 year old NEETs have no qualifications and 26% of 19-24 year old NEETs are without qualifications\(^{24}\). The proportion of young people who are NEET is higher amongst those with a disability with 60% of 16-18 year old NEETs classed as unemployed and 20% as inactive due to sickness or disability, family or caring responsibilities\(^{25}\). Among 19-24 year old NEETs nearly 60% were considered to be economically inactive, mainly due to sickness, disability and family or caring responsibilities\(^{26}\). Other barriers to employment cited by young people who are NEET are a lack of work experience and a lack of self confidence.

35. Competition in the labour market puts a sharper focus on the need to address the issues of those who are NEET, or at risk of becoming NEET, to increase attainment levels, reduce early school leaving and prevent further disadvantage. This competition also compounds the issues for those who are disabled or disadvantaged in seeking to return to or retain employment.

36. The Programme for Government\(^{27}\) identifies the big long term challenges for tackling youth unemployment, attainment and developing children during the early years. There are a number of key relevant Welsh Government policy documents which sit under this and include; the Youth Engagement and

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\(^{22}\) Statistical First Release (24\(^{th}\) July 2013) Participation of young people in education and the labour market. EW breakdowns by specific age ranges are not available.

\(^{23}\) Office for National Statistics; Annual Population Survey 2009-2013 - this data is an estimate and not directly comparable to the Statistical first release NEET data at Wales level.

\(^{24}\) Welsh Government Statistical Article, Further Analysis of data related to Young People Not in Education, Employment or training (NEET)

\(^{25}\) Welsh Government Statistical Bullet, Young people not in education, employment or training (NEET) (Year to 31 December 2013)

\(^{26}\) Welsh Government Statistical Article, Further Analysis of data related to Young People Not in Education, Employment or training (NEET)

\(^{27}\) Welsh Government (2011), Programme for Government
Progression Framework\textsuperscript{28}, which has been developed around the needs of young people, strengthening the accountability of different agencies in the system for delivering better outcomes for young people; and, the Building a Brighter Future: An Early Years and Childcare Plan\textsuperscript{29} which sets out the Welsh Government commitment to improve the life chances and outcomes of all children in Wales over the next 10 years.

37. The Youth Engagement and Progression Framework also includes a Welsh Government commitment to introduce a guarantee to a place in education or training for young people leaving compulsory education for the first time. The Welsh Government Youth Guarantee\textsuperscript{30} is the “offer, acceptance and commencement of a suitable place in education or training for a young person making the first time transition from compulsory education at age 16” and contributes directly to the 2014 CSRs to improve the skills of young people to meet employer needs and to reduce the number of young people with low basic skills. The Welsh Government Youth Guarantee is along lines that are the same as, or very similar to, the kind of measures suggested in the Council Recommendation on Establishing a Youth Guarantee.

38. Attainment and educational outcomes can be greatly influenced from an early age. Commission recommendations also recognise the need for early intervention including the role that high quality childcare provision can play in supporting our youngest children to have the best start in life, with specific mention made in the 2014 CSRs of the importance of quality childcare. There is close correlation between the quality of provision and the skills of the workforce.

39. Research in Wales estimates that 38% of Early Years and Childcare workforce have no more than level 2 qualifications, 25% have no qualifications at all\textsuperscript{31}. The workforce has expanded by 8% since 2005 and nearly 3% of all women employed in Wales work in childcare. The workforce does not reflect wider society in that it is predominantly staffed by White British, female employees with men making up only 2\%\textsuperscript{32}; reinforcing the Equality Impact Assessment view that gender stereotyping with regards employment remains a substantial issue\textsuperscript{33}.

40. Early interventions will help ensure a strong legacy effect of ESF investments in our young people. Investing in the skills of the workforce will improve the quality of provision, and the quality of early year childcare provision can have a long

\begin{itemize}
  \item \textsuperscript{28} Welsh Government: http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en
  \item \textsuperscript{29} Welsh Government: http://wales.gov.uk/topics/educationandskills/earlyyearshome/building-a-brighter-future-early-years-and-childcare-plan/?lang=en
  \item \textsuperscript{30} http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/delivering-the-youth-guarantee-in-wales/?lang=en
  \item \textsuperscript{31} Dallimore, D.(2012); The Early Years & Childcare Workforce in Wales: 2012, Care Council for Wales, Cardiff
  \item \textsuperscript{32} Care Council for Wales (2010); The Early Years and Childcare Workforce in Wales
  \item \textsuperscript{33} Equality Impact Assessment
\end{itemize}
last impact in reducing early school leaving and promoting social inclusion in education\textsuperscript{34}.

41. Projected population changes will influence the mobility of our workforce in the future. Recent increases in birth rates and an ageing workforce mean that childcare and caring responsibilities, particularly amongst women and lone parents, will potentially become barriers to labour mobility and employability to more people, as recognised in the 2014 CSRs. This may mean more people moving out of the labour market and potentially into poverty to cope with these demands. People will also be required to work until later in life as pension ages change, and the need to supplement pension income increases.

42. Within the labour market, women continue to be underrepresented in senior positions and in growth sectors, particularly where STEM subjects are required. Only 9.9\% of employed women are employed in “Managers and senior officials” occupations, while only 38.4\% of those who are classified as “Managers and senior officials” are women.

43. There are several issues influencing the position of women in the workforce in WWV.\textsuperscript{35} For example, women have a higher propensity to be in part-time employment than men even though women on average are better qualified than men. In addition, despite a stronger qualifications profile, women are under-represented in higher paying jobs and over-represented in the public sector, where employment opportunities are diminishing.

44. The circumstances that generate these outcomes for women are complex and span social, cultural and economic spheres. In 2012, of the 5.9 million women working part-time in the UK, approximately 75\% said they did not want a full-time job compared with approximately 40\% for men\textsuperscript{36}. In Wales, the incidence of part-time working is similar to the UK and the gender split is also very similar (43.1\% of women in Wales work part time, as compared to 43.4\% at a UK level, while the equivalent figures for men are 13.7\% in Wales and 13.4\% in the UK).

45. Data showing the proportion of women working part-time who do not want a full-time job is not available for Wales. However, the proportion of people working part-time in 2012 who did not want a full-time job in Wales was 67\%; very similar to the UK where it was 65\%. It is therefore reasonable to assume that the proportion of women working part-time who do not want a full-time job in Wales is similar to the UK too.

46. In 2012, women earned on average £464 per week in WWV compared with £535 per week for men. Female earnings as a proportion of male earnings are 87\%, higher than the Wales or UK average. Female average gross weekly earnings in Wales are lower than male earnings in all major occupational groups, although this disparity is not as marked in Wales as it is in the rest of the UK, perhaps reflecting the greater proportion of employment in the public sector. In the private sector female earnings are 78\% of male earnings in

\textsuperscript{34} European Commission; Early Childhood and Care: Providing all our children with the best start for the world of tomorrow
\textsuperscript{36} See Labour Market Statistics, October 2012, Office for National Statistics
Wales, close to the UK ratio of 76%. These figures however report weekly earnings irrespective of working patterns, making no allowance for the higher proportion of women working part-time.

47. Research by the UK Department for Work and Pensions cites earners not working enough hours as one of three main causes of in-work poverty among families with children. Part time working, at 30.4%, continues to make up a significant proportion of the total employment in WWV. 33% of those in part time employment want a full time job.

48. Although we are living and required to work longer, evidence shows that our health is not improving at similar rates. Health issues in the workforce may become more commonplace. In Wales 2.5% of working hours are lost due to sickness or injury higher than the UK at 1.8%. Poor mental health in the workforce has been estimated to cost the Welsh economy £1.2bn a year with an average of 1 in 6 of the workforce being affected by mental health issues.

49. The effects of disabilities and work limiting health conditions can impair productivity and may also be or become barriers to maintaining sustained employment, as can the effects of substance or alcohol misuse. It is estimated that, due to sickness, there will be 45,000 employees absent from work in Wales in 2014/15 for 4 weeks or more. Mental health and musculoskeletal problems account for over 50% of long-term absentee employees with around 1/3 of long term absentee employees report having two or more health conditions.

Detailed Strategy for ESF in WWV

50. This strategy will be delivered as part of an integrated approach to the delivery of ESI Funds across Wales and will support the aims of the Welsh Government’s Programme for Government and the European Union strategy for Smart, Sustainable and Inclusive Growth (EU2020). This approach recognises that the most effective way to create the conditions which would lead to a significant, positive movement in GVA is through coordinated, integrated and focussed action with Government, in all its forms, working with both the private and third sectors across Wales.

51. As outlined in the Partnership Agreement, in order to produce a transformational effect in relation to jobs and growth the Welsh Government will look to maximise the impact of all European Funding streams, encouraging the development of schemes and projects which ensure each is a part of a coordinated portfolio of investments. Integrated action will be possible to support communities across Wales, including rural and coastal communities, to

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Office for National Statistics: 2011 census
Welsh Government (2013); Socio Economic Analysis of West Wales and the Valleys
Dame Carol Black (2008); Working for a Healthier Tomorrow
Office for National Statistics: www.ons.gov.uk (these figures include employees and self-employed, aged 16+, across the whole of the UK)
Frideli and Parsonage (2009); Promoting mental health and preventing mental illness: the economic case for investment in Wales
DWP analysis of the Labour Force Survey
utilise ESI funds to develop workforce skills to take advantage of growth opportunities, address emerging economic challenges and diversify into new markets.

52. Wales will be pursuing a more concentrated and integrated approach in the 2014-20 round of programmes which will help to foster cooperation and coordination between funds. The linkages between the ESF investments and other European Funding streams (including across ESF Programmes) are set out in more detail later within each priority area, as is the integration approach. Links to other EU funding instruments also expected to be made on a project-by-project basis.

53. In support of the joint programming approach a strict approach to demarcation has been avoided for 2014-2020 programmes. This approach means that, where state aid allows, farmers and fishermen will be able to access ESF to support efforts to up-skill or re-skill, particularly where this can support actions to take advantage of emerging opportunities such as those in support of climate change actions and green growth. This approach also reflects the interrelationships in Wales of the Rural, Coastal and Urban economies.

54. The WWV ESF programme recognises that, if there is to be genuine and transformational change in the economy and labour market, there is a need for devolved and non-devolved measures to link and add value in the targeting of deep seated problems. Interventions will respond to the needs of employers, utilising Labour Market Intelligence (LMI) to ensure interventions achieve the required sustainable employment outcomes and the skills interventions that support our future workforce.

55. A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be used to drive synergy between ESI Funds and wider investments in the Welsh economy. Alongside LMI these documents will enable ESF investments to align with areas of economic growth and opportunity and interact, as part of a wider investment context, to ensure that the investments in people can deliver the skills and workforce that the economy will need.

56. The EPF seeks to capture the wider investments and key economic opportunities of relevance to the ESI funds taking place in the Welsh economy to support these funds to add value to those wider investments, avoid duplication and build on existing assets. There are a number of key economic areas of opportunity, particularly in the area of skills and workforce supply and development, where ESF will underpin a number of investments across Wales.

57. These are explored in greater detail in the EPF but would include; investments in energy and supporting the transition to a low carbon and energy efficient economy; climate change and resource efficiency including protection and strategic management of resources (which could include supporting agriculture and aquaculture to address issues of food security and climate change); active participation in the digital economy and opportunities of the digital marketplace; advanced manufacturing and the development of expertise in waste, recycling

43 Labour Market Intelligence identifies skills needs / trends for coming years. These needs / trends can be illustrated through skills shortages or skills gaps identified by research or by employers.
and reuse, remanufacturing, emissions, resource use (including water and energy), and resource resilience (scarce metals); Life Sciences and Health; and, Tourism, Recreation and Leisure.

58. It will be possible through linkages to these key economic growth areas and wider investments across the ESI funds to ensure ESF investments also support wider efforts to address those EU2020 targets which are not directly linked to ESF activity. Skills and employment provision through ESF can, for example, help to underpin actions towards the EU2020 targets of a reduction of Greenhouse gas emissions by 20% and increased shares of renewables in final energy consumption to 20%.

59. For those areas which cover non-devolved competencies such as Employment and Welfare, close working relationships have been developed between the Managing Authority and both the Welsh Government and the UK Government to ensure that ESF interventions are able to demonstrate added value and complementarity with mainstream provision. The selection of the relevant Thematic Objectives and Investment Priorities (specifically where complementarities can exist with access to employment) reflects this additionality approach and is addressed in further detail in the relevant priorities, together with further details of the mechanisms at a Welsh Government and UK government level to manage the integration of actions in these areas.

Vision for the ESI Fund Programmes in Wales

60. The Welsh Government’s vision, as set out in the Welsh Chapter of the UK Partnership Agreement, is that ESI Funds, aligned with the Programme for Government, will help Wales become a confident, entrepreneurial and ambitious nation, prospering from sustainable economic growth.

WWV ESF Programme Aims and Objectives

61. The following outline the ESF programme aims and objectives for WWV and form the basis of the Priority Axis approach adopted within the programme and the Specific Objectives within each Priority Axis. In pursuing these aims and objectives, the programme will ensure that the benefits of economic growth are genuinely accessible to all and not rely solely on ‘trickle down’ effects which would risk creating inequalities. The pursuit of economic growth must also not have any adverse effect on the environment or society more widely.

Aims

- To tackle poverty and social exclusion by increasing labour market participation and helping people to access sustainable employment;
- To invest in skills as a driver of productivity and growth, to aid progression within employment and improve the skills mix and diversity of our workforce; and
- To invest in our young people to create a vibrant and responsive future workforce with the skills needed to respond to the needs of a challenging knowledge based economy.
Objectives

- To reduce poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market;
- To increase skills levels of the workforce, increasing the number of people qualified to intermediate level or above, reducing the number of people with no skills or basic skills only and increasing higher level skills in research and innovation;
- To increase youth employment and educational attainment, thereby reducing poverty and disadvantage in our young people; and
- To reduce inequalities in the labour market amongst women and recognised equality groups

62. Built around a Priority Axis approach, the WWV ESF programme will provide a balanced approach which underpins economic growth and supports those individuals at greatest need and at risk of disadvantage or discrimination. Actions will be focused on a limited number of Investment Priorities within each Thematic Objective to ensure that the ESF programmes are able to provide the concentration and focus which the regulations require and which will deliver the greatest impact.

63. The ESF programme in WWV will deliver a coherent programme of actions that enable economic growth through promoting high levels of sustainable employment, developing a skilled and responsive Welsh workforce now and for the future. It will focus on three key areas: targeting poverty and social exclusion through promoting sustainable employment, investing in a skilled workforce and investing in our young people to ensure the best start in life.

64. The programme will facilitate the development of a balanced portfolio of investments targeting short-term issues, through securing improvements against key indicators such as employment outcomes and qualifications, whilst also seeking to achieve longer term outcomes such as addressing structural issues on youth unemployment and NEETs and increasing the quality of childcare.

Priority Axes for WWV

65. The WWV ESF programme has been developed around three interrelated Priority Axes which will deliver complementary action in support of the overall aims and objectives of the ESF programmes in Wales:

- **Tackling Poverty through Sustainable Employment**;
- **Skills for Growth**; and
- **Youth Employment and Attainment**

66. The **Tackling Poverty through Sustainable Employment** Priority Axis will aim to support efforts to tackle poverty and social exclusion in WWV. In line with the Welsh Government’s Tackling Poverty Action Plan, this will be achieved by supporting key target groups to increase employability and achieve sustained employment.

67. In Wales, poverty is defined as ‘A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities, or to
participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society. The Welsh Government, in the Programme for Government and the Tackling Poverty Action Plan, has a cross governmental commitment to tackling poverty and social exclusion and fully endorses the European Union’s focus on poverty, linking into the 2014 CSR to continue efforts to reduce child poverty in low-income households. The introduction of a Tackling Poverty Cross-Cutting Theme will reinforce this and ensure that this focus is reflected across all ESI funds.

68. Actions within this Priority Axis will look to prevent and tackle poverty as a result of unemployment or underemployment, with sustainable employment as the driving principle. The broader longer term impacts of the interventions will be to support the overall Welsh Government approach to tackling poverty and to contribute to the reduction in unemployment or economic inactivity rates across Wales.

69. Previous experience has shown that clearly targeted and tailored support based on individual client needs have been particularly effective at achieving employment outcomes for individuals. Outreach, co-location and partnership working is important to this and help to provide clearer pathways for beneficiaries to progress through complementary provision and into employment. Particularly effective in this area are operations which have clear mechanisms for progressing individuals towards employment as part of a portfolio of activities which span the supported employment ladder; from soft outreach and engagement activities; through to work experience, skills training and job search as well as job retention provision.

70. The main focus of investments within this Priority Axis will support those furthest from the labour market and therefore living in persistent poverty to overcome the complex and multi-causal barriers they face to moving closer to the labour market. Investments will help individuals to address the barriers they face and to re-engage with the labour market, access sustained employment and to realise the opportunities employment can bring in tackling out of work poverty.

71. Support will target Long Term Unemployed and Economically Inactive individuals who have complex barriers to labour market mobility including; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); care or childcare responsibilities; are over 54; from BME group or from a jobless household. Support will also be provided to help address associated barriers such as transport, financial and emotional; ICT; and, issues such as attitudes to work and welfare dependence. Delivered as part of wider strategies to address worklessness, poverty and disadvantaged communities, interventions will be integrated and personalised, focused on the needs of the individual in both the methods of engagement and delivery and structured in a method that avoids the need for an individual facing multiple or complex barriers to access a complex configuration of separate interventions.

72. More focused investments will also target those closest to the labour market who are at most risk of poverty, providing reactive and responsive solutions to address labour market fluctuations and cycles of work and worklessness (the low pay no pay cycle), working to prevent individuals slipping into long term
unemployment and poverty. Support will focus on early remedial action to address the underlying causes of worklessness and allow an early return to the labour market.

73. In supporting access to sustainable employment there will need to be close linkages with areas of economic growth and opportunity for example in the transition to low carbon or a higher skilled economy. This will be key to helping to diversify employment options for those closest to the labour market away from declining sectors and into areas of growth and to ensure the sustainability of employment outcomes for those re-entering employment after periods of prolonged absence.

74. The Priority Axis will also act to prevent poverty through action targeted at those at risk of slipping out of sustainable employment as a result of long term sustained periods of sickness absence or those facing barriers (such as health, disability, substance misuse or caring or childcare responsibilities) which can cause or be a contributing factor to underemployment. Interventions will look to provide sustainable innovative solutions focused on clear areas of need to prevent barriers becoming a cause of worklessness.

75. Both the 2014 Country Specific Recommendations and the Commission’s Position Paper for the UK recognise the need for coordinated action to address the challenges of poverty, inclusive of continuing efforts to reduce child poverty in low-income households, improving the availability of affordable, quality childcare and increasing employment to progress the achievement of this aim. With a direct link to the Flagship Initiative, The EU Platform Against Poverty, the approach above will support the Commission focus on tackling poverty and social exclusion and will deliver to the EU2020 target of 20 million fewer people in poverty. Getting people into stable jobs is also seen as an important factor in achieving the European employment target of 75% employment. The UK National Reform Programme highlights that barriers remain to inclusive employment and that in Wales employment is seen as the best route out of poverty.

76. Actions under the Skills for Growth Priority Axis will deliver a demand-led approach to identify and address key skills gaps and shortages amongst those in work, utilising LMI to respond to identified need and demand from employers and focused on specific target groups. Investing in skills aligned with growth activity and ensuring that employers have a suitably qualified workforce for sustainable economic development continues to be a key driver in the development of a modern knowledge-based economy and in helping economies to respond and adapt to economic changes, a fact which is recognised by the 2014 CSRs.

77. Previous experience has shown that tailoring provision to specific target groups, such as the low skilled or older workers, is a significant factor which could further enhance the reach, and therefore impact of ESF supported skills activities.\textsuperscript{44} Delivering qualifications that are recognised by employers is also a key benefit, providing increased job security for the low skilled. Research also indicates that ESF funded skills provision should be viewed as part of an

\textsuperscript{44} European Commission(2011), Evaluation of the capacity of ESF delivery systems to attract and support OP target groups
integrated and ongoing approach to lifelong learning and continuous professional development, which recognises the specific needs the target groups and the labour market position of participants.\textsuperscript{45} Actions will therefore be designed to respond to the specific needs of employers and specific target groups, enabling progression from basic or low skills, through to intermediate skills or higher.

78. The 2011 ESF Leavers Survey\textsuperscript{46} found that, following their participation in an ESF operation, the majority of respondents reported improvements in job satisfaction, future pay and promotion prospects and opportunities for training. Moreover, approximately 20\% of respondents who were employed in a different job from that held prior to their participation in an ESF operation reported that the ESF activity was vital to them gaining their current employment.

79. There is a direct correlation between skills levels and poverty, with those with higher skills being less affected by the recession and benefiting from increased labour market mobility.\textsuperscript{47} The Socio Economic Analysis shows that employment rates for those with low or no qualifications have declined sharply to as low as 39\% in WWV. This insulation effect of higher level skills on employment rates during periods of recession and labour market uncertainty emphasises the importance of skills in achieving and maintaining sustained employment\textsuperscript{48}, as well as enhancing employer adaptability, improving workers abilities and effectiveness in the workplace\textsuperscript{49} and enabling lower-skilled, lower paid employees to progress in employment and increase their income levels\textsuperscript{50}.

80. Basic and essential skills therefore remain a priority, with actions encouraging and supporting skills progression up to intermediate level to maximise the benefits skills can have on addressing in-work poverty as part of the wider approach to tackling poverty within the ESF programme.

81. A balance will be struck between basic and essential skills provision, including apprenticeships, and actions to deliver intermediate and higher level technical and job specific vocational qualifications (including apprenticeships), as well as higher level Research and Innovation (R&I) skills, as referenced by the 2014 CSRs.

82. Higher levels of qualification are associated with higher levels of employment, and higher wages\textsuperscript{51}. Apprenticeships can have some of the largest long term impacts on earnings and employability\textsuperscript{52}, estimated between £48,000 and

\begin{itemize}
\item \textsuperscript{45} ECORYS, Evaluation of the ESF support to Lifelong Learning
\item \textsuperscript{46} 2011 ESF Leavers Survey, Cardiff University et al, 2013
\item \textsuperscript{47} UKCES (2010); The Value of Skills: An Evidence Review,
\item \textsuperscript{48} UKCES (2012), Working Futures Report for Wales. Summary Report for Wales, October
\item \textsuperscript{49} See UKCES (2011); Skills for Jobs: The National Skills Audit for Wales 2011 – Volume 1 Key Findings and Volume 2: Evidence Report
\item \textsuperscript{50} International Labour Conference, 97th Session, 2008, Skills for improved productivity, employment growth and development; UK Commission for Employment and Skills, Employer Practice in progressing low-paid staff
\item \textsuperscript{51} UKCES (2010); The Value of Skills: An Evidence Review,
\item \textsuperscript{52} BIS (2011); Research Paper No 47, The Long Term Effect of Vocational Qualifications on Labour Market Outcomes
\end{itemize}
£74,000 in additional lifetime earnings\textsuperscript{53} with Net Present Value per achievement twice that of similar level NVQ\textsuperscript{54}. Higher education qualifications are also among the best paying of all qualifications and the return in the UK is higher than in many other countries. The wage premium for holding a degree is estimated to be almost 25\% more than for 2 or more A levels, providing additional net lifetime earnings of nearly £130,000 on average. A postgraduate degree stands to provide a further £70,000-£80,000 of earnings.\textsuperscript{55}

The ESF programme will therefore support intermediate and higher level technical and job specific vocational qualifications which are responsive to the needs of business, support organisational growth and adaptability and increase the competencies of the workforce, including High Performance Working (HPW). Such skills can be a driver for economic growth, supporting the development of a better skilled and qualified workforce which will equip enterprises with the capability to respond with greater agility to long term challenges such as emerging markets or economic change, as well as improving staff retention and motivation and increasing productivity.

Innovation Wales – the Innovation Strategy for Wales\textsuperscript{56} states that the level of R\&I within businesses in Wales needs to increase and identifies the importance of equipping the next generation of learners with the right skills to innovate. Additionally, the UK Innovation Survey\textsuperscript{57} reported that only 15\% of innovation-active businesses cooperate with universities in the UK. While this figure is not specific to WWV, it indicates significant scope for greater interaction between business and higher education institutions.

Actions will therefore be taken to support an increase in the number of individuals with higher level R\&I skills undertaking R\&I activities in collaboration with and driven by the needs of the private sector. Investments will be focused on the Grand Challenge areas outlined in Science for Wales: A strategic agenda for science and innovation in Wales.\textsuperscript{58} This approach will also complement approaches through ERDF and other ESI Funds in targeting the EU2020 target of 3\% of GDP to be invested in Research and Innovation.

There will be a specific focus on promoting gender equality in employment and improving the position of women in the workforce. We will invest in actions which facilitate and promote career advancement and which provide women with increased job security and increased pay, as well as facilitating the provision of more flexible working practices and solutions which can assist women to progress their career while recognising care or childcare responsibilities, in line with the objectives of the 2014 CSRs. These

\textsuperscript{53} BIS (2011); Returns to Intermediate and Low Level Vocational Qualifications, Research Paper 53
\textsuperscript{54} BIS (2011); Measuring the Economic Impact of Further Education
\textsuperscript{55} UKCES (2010); The Value of Skills: An Evidence Review
\textsuperscript{56} Welsh Government (2014); Innovation Wales – the Innovation Strategy for Wales
\textsuperscript{57} UK Innovation Survey 2011 (2012), BIS
\textsuperscript{58} The Grand Challenge areas of “Life Sciences and Health”; “Advanced Engineering and Materials”; “Low Carbon, Energy and Environment”; and “ICT and the Digital Economy” set a focus for innovative research activities in Wales build on existing strengths and provide clear routes from research through to commercialisation.
interventions will also complement actions being taken forward by the Youth Employment and Attainment Priority Axis to support the greater take up of STEM subjects amongst girls.

87. EU2020 covers a number of key target areas relating to education, training and lifelong learning which this Priority Axis will support. This investment area has a clear link to inclusive growth with a direct link to the Flagship Initiative New Skills for New Jobs. It also links to smart growth, linking into the Flagship Initiatives of a Digital Agenda for Europe and Innovation Union. Addressing skills shortages and mismatches and increasing advanced and higher level skills provision to meet the needs of employers and move to a higher skilled economy, thereby tackling high levels of individuals with poor basic level skills and increasing the numbers attaining intermediate skills or above are priorities within the UK Country Specific Recommendations, the Common Strategic Framework and the EC position paper for the UK. Along with the National Reform programme, the Country Specific Recommendations also highlights a focus on apprenticeships in delivering growth friendly investments.

88. Actions within the **Youth Employment and Attainment** Priority Axis will look to invest in interventions which address the high levels of youth unemployment in WWV whilst investing in longer term solutions to help drive attainment and employment outcomes, including improving the quality of early years and childcare provision.

89. The recent economic downturn has had a disproportionate effect on our young people and on youth unemployment. Through this Priority Axis we will invest in a combination of preventative and remedial actions to tackle the needs of young people through each stage of development to improve their attainment and their longer term life chances with an unequivocal focus on improving employability and access to sustainable employment.

90. Experience form the 2007-2013 Programmes showed that ESF support to young people enabled many operations to develop innovative approaches to supporting young people, extending and enhancing existing provision to be more responsive to their needs. Partnership approaches were seen to be important, and significant successes were experienced where these involved partners from across a number of service areas including Local Authorities, the Emergency services and wider Youth service providers.

91. One of the key lessons learned was a need for early and consistent identification mechanisms for those who are most at risk of becoming NEET especially those who had multiple needs, or fell into gaps in existing services as they made transitions between schools, colleges, and adult services. Effective shared systems which monitor and identify children and young people’s needs and which can support effect evaluation of service delivery both through ESF and wider interventions were also seen as key to delivering results.

92. A combined investment approach focused on young people from 0-24 will ensures that we are able to support our young people through their progression and through key transition points in education and on into work. The main focus of the Priority Axis will be on supporting unemployed young people and those who are NEET to progress into employment, delivering a range of interventions to support and facilitate access to the labour market. In the context of the youth
Strategy for ESF in WWV

Guarantee, ESF investments in this Priority Axis will work alongside actions to support apprenticeships in the Skills for Growth Priority Axis to help deliver and add value to the Welsh Government Youth Guarantee. Actions will enhance support mechanisms to access a good-quality job traineeship, or continued education for those beyond the first time transition from compulsory education, aligning to the 2014 CSR to improve the skills of young people to meet employer needs, including through apprenticeships and reducing the number of young people with low basic skills.

93. Action will also be taken to support those young people aged 11-24 at most risk of becoming NEET to reduce the risk of disengagement and increase attainment levels and reduce youth unemployment in the longer term. These actions will be centred on the Welsh Government Youth Engagement and Progression Framework and more specifically the Early Identification and Tracking Systems which help to ensure the accurate and systematic identification and tracking of those young people at greatest risk of disengaging from education, employment and training. This targeted approach will ensure ESF provision works as part of wider Welsh Government efforts to tackle the more structural issues of NEET which persist through all economic circumstances.

94. Smaller more focused interventions will also be made to increase attainment and participation especially in Science Engineering, Technology and Maths subjects, reflecting the increasing importance of STEM skills and equipping our young people with the skills that will allow them to be flexible and adaptable in the labour market, to gain sustainable employment and to support economic growth in Wales.

95. With access to the labour market as the main driver, utilising LMI and future employment demand, we will also work to combat disaffection and to increase skills and educational attainment amongst our young people, addressing areas such as early school leaving and skills development and attainment of qualifications. Actions being taken forward in the Skills for Growth Priority Axis, such as apprenticeships, will therefore complement the actions being taken forward in this Priority Axis.

96. Investments within this Priority Axis, as part of wider family based initiatives, will also help improve the life chances of children in the early years. This will be achieved through focused investment in the skills of the childcare and early years' workforce in order to improve the quality of childcare and early years provision, linking into the CSRs and their emphasis on quality childcare.

97. There are multiple potential influencing factors that impact upon the early development of our children. These factors, if addressed effectively, can contribute to wider efforts to ameliorate the high level of early school leaving and the low levels of educational attainment in Wales (which are below UK and wider EU and OECD averages).

59. Our ambition is to improve the quality of childcare and early years provision and, through this, to reduce the likelihood of children in disadvantaged areas from falling behind or becoming disengaged from education and under-achieving, all factors which increase the risk of early school leaving and becoming NEET.

59 Socio Economic Analysis
98. Supporting the development of our children and helping young people to shape their futures through better use of LMI offers an opportunity, not only to support future growth and prosperity but to positively reinforce choices based on areas of employment growth and demand from employers. There are also opportunities to support actions which help to break down traditional gender stereotypes in employment and learning and broaden horizons for non-traditional job roles or employment sectors.

99. The European Commission, through its Country Specific Recommendations, the UK Position Paper, the Common Strategic Framework and the National Reform Programme all highlight the challenges in addressing the high levels of youth unemployment and poor youth attainment. The recommendations recognise the importance of supporting young people to achieve improved skills outcomes, in line with employer needs and to improve access to higher quality training and employment opportunities. This investment area has a clear link to initiatives under SMART Growth including the Youth on the Move Flagship Initiative but also will impact on targets under inclusive growth.

100. The EU2020 targets to reduce the rates of early school leaving below 10% and increasing the employment rate to 75% are likely to be the main targets impacted but additionally efforts within this Priority Axis can also support the targets on poverty reduction and, in the longer term, on the rate of individuals with tertiary level education. The 2014 CSRs also urge action to reduce the levels of child poverty in low income households, citing the availability of high-quality childcare as a key issue.

101. Underpinning the ESF programmes and the priorities above, indeed all ESI Fund programmes in Wales, will be three Cross Cutting Themes (CCT), Equal Opportunities, Sustainable Development and Tackling Poverty and Social Exclusion.

102. The first two of these themes are mandatory and are governed by the EU General Regulations, Article 7 Promotion of equality between men and women and non-discrimination (in Wales this includes the Welsh Language) and Article 8 Sustainable Development. In addition, Tackling Poverty and Social Exclusion has been proposed as an additional CCT in line with the EU Platform against Poverty and Social Exclusion (Europe 2020 Flagship Initiative) and as a key commitment of the Welsh Government through its Tackling Poverty Action Plan.

103. The CCT’s require action in multiple fields and as such will be integrated into all areas of the ESF programmes. Wales has a good record of integrating the CCT’s into the European programmes and has been commended by the EU Commission for the work done in this area. The aim of the CCT’s is to improve the quality and the legacy from each project and to add value to the programmes as a whole. However it will also be possible to use the CCT approach to focus operations on opportunities which may emerge as a result of the combined focus across the ESI Funds and Welsh Government on these areas.

104. For example in considering Sustainable Development, operations will not only be able to assess the likely impact of the operation itself but also consider opportunities available as a result of the wider Sustainable Development ambitions. These might include areas of employment growth through the
creation of green jobs or skills demand as a result of the shift towards a low carbon economy. Equally the Equal Opportunities CCT might also encourage operations to consider supporting access to non traditional areas of employment where imbalances such as gender might exist in the workforce.

105. The intention is to build on the work already carried out and move the agenda forward for the 2014-2020 programmes and ensure equality; sustainability and tackling poverty are at the centre of the overall aims of the programmes. Specific guidance on the implementation of the CCT’s will be developed. This will set out the contribution expected from the programmes, guidance for project sponsors on how to consider specific issues in project design, monitoring and evaluation processes, and support mechanisms available.

106. The WWV ESF programme, as part of the overall investment approach for ESF and ESI fund programmes in Wales, will invest to **deliver economic, social and territorial cohesion** across Wales. ESF in WWV will reduce the gap with the more developed regions through investing in skills and increasing the employment rate to improve productivity. The WWV ESF programme will also provide a balanced investment approach to increase employment, tackle poverty and address the needs of the most disadvantaged to support Social Cohesion. The ESF WWV programme will integrate investments as part of wider ESI investment programmes in the region and across Wales, recognising the value of connectivity between the regions in developing the economy of Wales as a whole.

107. When spending ESI funds by means of public contracts/concessions, the Managing Authority – and any Intermediate Body where applicable – will require beneficiaries to fully respect EU public procurement rules and in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into United Kingdom legislation, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU. Applicants and beneficiaries will be informed of this fundamental requirement via grant award agreements and national eligibility rules and guidance documents, supplemented by training and support where needed.
## Summaries of Financial Allocations, Results and Performance Framework

### Summary of financial allocations by Priority Axis

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Union support</th>
<th>Match Funding Total</th>
<th>Public Match Funding</th>
<th>Private Match Funding</th>
<th>Total investment</th>
<th>Intervention rate (Max)</th>
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</thead>
<tbody>
<tr>
<td>Priority Axis 1</td>
<td>€195,964,437</td>
<td>€52,204,563</td>
<td>€42,804,753</td>
<td>€9,399,810</td>
<td>€248,169,000</td>
<td>78.9641%</td>
</tr>
<tr>
<td>Priority Axis 2</td>
<td>€345,615,264</td>
<td>€134,537,737</td>
<td>€92,331,591</td>
<td>€42,206,146</td>
<td>€480,153,001</td>
<td>71.9802%</td>
</tr>
<tr>
<td>Priority Axis 3</td>
<td>€244,713,791</td>
<td>€84,379,527</td>
<td>€77,629,000</td>
<td>€6,750,527</td>
<td>€329,093,318</td>
<td>74.3600%</td>
</tr>
<tr>
<td>Priority Axis 4</td>
<td>€16,046,806</td>
<td>€5,533,084</td>
<td>€5,533,084</td>
<td>€0</td>
<td>€21,579,890</td>
<td>74.3600%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>€802,340,298</strong></td>
<td><strong>€276,654,911</strong></td>
<td><strong>€218,298,428</strong></td>
<td><strong>€58,356,483</strong></td>
<td><strong>€1,078,995,209</strong></td>
<td><strong>74.3600%</strong></td>
</tr>
</tbody>
</table>
Summaries of Financial Allocations, Results and Performance Framework

ESF Financial Allocations by Priority Axis

- Priority Axis 1: Tackling Poverty through Sustainable Employment
- Priority Axis 2: Skills for Growth
- Priority Axis 3: Youth Employment and Attainment
- Priority Axis 4: Technical Assistance

Total allocations:
- €195,964,437
- €16,046,806
- €244,713,791
- €345,615,264

Operational Programme for the European Social Fund for West Wales and the Valleys
**Summary of Results and Target Groups by Specific Objective**

These tables present a summary of the results and target groups only – please refer to the relevant Priority Axis for a list of the result and output indicators.

### ESF Priority 1: Tackling Poverty through Sustainable Employment

<table>
<thead>
<tr>
<th>Specific Objective</th>
<th>Summary of Results</th>
<th>Target Group</th>
</tr>
</thead>
</table>
| **Specific Objective 1:** To increase the employability of those closest to the labour market at most risk of poverty. | - Number of target group:  
  - Gaining a qualification  
  - Entering into employment  
  - In employment 6 months after intervention | - Short term unemployed participants with low skills or a work limiting health condition or disability.  
- Individuals impacted by redundancy (those under formal notice of redundancy and those made redundant within the past 3 months). |
| **Specific Objective 2:** To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment. | - Number of target group:  
  - Entering employment,  
  - Gaining a qualification or work relevant certification  
  - Completing work experience placement or volunteering opportunity.  
  - In employment 6 months after intervention.  
- Number of economically inactive participants engaged in job search upon leaving. | - Economically inactive participants who are not in education or training and who have low or no skills; a work limiting health condition or disability; care or childcare responsibilities; are over 54; or are from a jobless household (inc BME in EW).  
- Long-term unemployed participants who have low or no skills; a work limiting health condition or disability; are from a BME group; or from a jobless household. |
| **Specific Objective 3:** To reduce under-employment or absence rates for employed individuals with work limiting health conditions and / or other barriers to sustainable engagement with the labour market. | - Employed or self employed participants with work limiting health condition or disability returning to work after a period of absence.  
- Number of the target group with an improved labour market situation upon leaving such as increased hours, permanent contract.  
- Number of supported enterprises having adopted or improved equality and diversity strategies and monitoring systems. | - Employed, including self employed participants with work limiting health condition or disability.  
- Underemployed participants (underemployment is defined as the underutilisation of the productive capacity of employed persons). |
**ESF Priority 2: Skills for Growth**

<table>
<thead>
<tr>
<th>Specific Objective</th>
<th>Summary of Results</th>
<th>Target Group</th>
</tr>
</thead>
</table>
| Specific Objective 1: To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills. | - Number of employed or self employed participants with no formal qualifications gaining an essential skill or technical or job specific qualification.  
- Number of employed or self employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level. | - Employed, including self employed participants with no formal qualifications.  
- Employed, including self employed participants with qualifications up to and including a lower secondary education.                                                                                                                                 |
| Specific Objective 2: To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level. | - Number of employed or self-employed participants with lower secondary education gaining a technical or job specific vocational qualification at upper secondary level or above.  
- Number of employed or self employed participants with upper secondary education or above gaining a technical or job specific vocational qualification at or above upper secondary level. | - Employed, including self employed participants whose highest qualification is at lower secondary level.  
- Employed, including self employed participants whose highest qualification is at higher secondary level and above.                                                                                                                                 |
| Specific Objective 3: To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise | - Number of participants with a graduate degree or equivalent gaining a Masters or Doctoral qualification.  
- Number of participants with graduate degree or equivalent gaining employment. | - Participants with a graduate degree or equivalent.  
- Enterprises who collaborate with learning providers in research and innovation activities.                                                                                                                                 |
| Specific Objective 4: To improve the position of women in the workforce.           | - Number of participants gaining a qualification upon leaving.  
- Number of employed or self-employed females with an improved labour market situation.  
- Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems. | - Employed or self employed females  
- Micro, Small and Medium sized enterprises |
Summaries of Financial Allocations, Results and Performance Framework

<table>
<thead>
<tr>
<th>ESF Priority 3: Youth Employment and Attainment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specific Objective</strong></td>
</tr>
</tbody>
</table>
| Specific Objective 1: To reduce the number of 16-24 year olds who are Not in Education, Employment or Training (NEET) | - Number of NEET participants (16 - 24 years of age):  
  - Gaining qualifications upon leaving.  
  - In education/training upon leaving.  
  - Entering employment upon leaving. | - Young people of working age (from 16 up to and including age 24) who are Not in Education, Employment or Training (NEET). |
| Specific Objective 2: To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds. | - Number of participants at risk of becoming NEET (11-24):  
  - Gaining qualifications upon leaving.  
  - In education or training upon leaving.  
  - At reduced risk of becoming NEET upon leaving. | - Young people between the ages of 11-24 at risk of becoming NEET. |
| Specific Objective 3: To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds. | - Number of young people 11-19:  
  - receiving training in Science, Technology, Engineering and Maths (STEM),  
  - who continue to study a Science, Technology, Engineering and Maths subject post 16. | - Young people between the ages of 11-19 (focus primarily on girls). |
| Specific Objective 4: To increase the skills of the Early Years and Childcare workforce. | - Number of employed or self employed individuals from the Early Years and Childcare sector gaining qualifications. | - Employed or self employed individuals from the Early Years and Childcare workforce (to include participants from the public sector Early Years and Childcare workforce but not teachers). |
## Summary of Performance Framework

<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Milestone for 2018</th>
<th>Final Target (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tackling Poverty through Sustainable Employment</td>
<td>Economically Inactive (aged 25 and over), not in education or training, who have complex barriers to employment</td>
<td>Number</td>
<td>9,182</td>
<td>36,000</td>
</tr>
<tr>
<td></td>
<td>Long-term unemployed (aged 25 and over), who have complex barriers to employment</td>
<td>Number</td>
<td>2,755</td>
<td>10,800</td>
</tr>
<tr>
<td></td>
<td>Expenditure</td>
<td>€m</td>
<td>€63,300,209</td>
<td>€248,169,000</td>
</tr>
<tr>
<td>Skills for Growth</td>
<td>Employed, including self employed participants with no formal education - male</td>
<td>Number</td>
<td>3,578</td>
<td>14,029</td>
</tr>
<tr>
<td></td>
<td>Employed, including self employed participants with no formal education - female</td>
<td>Number</td>
<td>3,258</td>
<td>12,771</td>
</tr>
<tr>
<td></td>
<td>Employed, including self employed participants with qualifications up to and including a lower secondary education - male</td>
<td>Number</td>
<td>6,088</td>
<td>23,870</td>
</tr>
<tr>
<td></td>
<td>Employed, including self employed participants with qualifications up to and including a lower secondary education - female</td>
<td>Number</td>
<td>5,543</td>
<td>21,730</td>
</tr>
<tr>
<td></td>
<td>Employed, including self employed participants with a lower secondary education - male</td>
<td>Number</td>
<td>4,099</td>
<td>16,070</td>
</tr>
<tr>
<td></td>
<td>Employed, including self employed participants with a lower secondary education - female</td>
<td>Number</td>
<td>3,732</td>
<td>14,630</td>
</tr>
<tr>
<td></td>
<td>Expenditure</td>
<td>€m</td>
<td>€122,472,128</td>
<td>€480,153,001</td>
</tr>
<tr>
<td>Youth Employment and Attainment</td>
<td>NEET Participants (16-24 years of age)</td>
<td>Number</td>
<td>10,891</td>
<td>42,700</td>
</tr>
<tr>
<td></td>
<td>Expenditure</td>
<td>€m</td>
<td>€83,941,491</td>
<td>€329,093,538</td>
</tr>
</tbody>
</table>
Cross Cutting Themes: Sustainable Development

108. The Welsh Chapter of the UKPA provides an overview of the approach to promoting the horizontal principles across the ESI funds in Wales which includes the Sustainable Development Cross Cutting Theme (CCT) detailed here, and the Equal Opportunities and Equalities CCT and the Tackling Poverty CCT. It also outlines the main Welsh Government organising principles and objectives for sustainability which provide the basis for the implementation of the CCT within the ESF Programmes in Wales.

109. Key to the ESF programmes is the Welsh Government emphasis on social, economic and environmental well-being for people and communities; fairness and social justice; and how decisions we make now affect the lives of future as well as current generations.

110. In implementing the Sustainable Development CCT the key Sustainable Development objectives for the ESF Programme are to:

- Promote environmental awareness and good practice in the implementation of activity;
- Integrate sustainable development into operations undertaking awareness raising, education and training programmes;
- Support participating employers to adopt or improve Environmental Sustainability Strategies;
- Promote social justice and equality of opportunity; and
- Recognise and promote health and wellbeing as one of the corner stones of a healthy, vibrant economy.

111. As part of the development of the ESF programmes in Wales a Strategic Environmental Assessment screening exercise was undertaken by external evaluators. The report concluded that any environmental effects will be insignificant in the short to medium term. Travel to training, and ultimately to work, may have implications, though these will not be significant in the context of this programme. It further concluded that the ESF programme does not determine the allocation of space, therefore no impacts are anticipated.

112. Through indirect measures, at an individual or organisational level, and through ensuring operations adopt appropriate Sustainable Development practices and principles in the delivery of ESF activity, investments will be able to support the overall Welsh Government Sustainable Development principles and objectives. Actions, where appropriate, would include:

- Encouraging sustainable transport solutions in the delivery of activity within operations such as through linking unemployed and economically inactive individuals with work and in supporting access to skills and training;
Promoting resource efficiency, including energy efficiency and waste management, in the delivery and implementation of operations;

Promoting employment opportunities in emerging economic sectors including for example creation of green jobs, renewable energy and energy efficiency;

Investing in skills to develop competencies and knowledge in for example, environmental management, energy production, energy efficiency and waste management, and skills to support the development of the low carbon, energy and environment sector; and

Promoting research and innovation in the Grand Challenge area of low carbon, energy and environment.

113. In terms of environmental sustainability, ‘Sustaining a living Wales’ is the Welsh Government’s new approach to natural resource management in Wales and is based on the ecosystem approach, defined as; all the living things, in an environment, including their interactions, with each other and their environment.

114. Reinforcing the environmental element of the CCT will ensure that awareness raising and promoting good practice through training and guidance will be incorporated into implementation of operations. Specific to the ESF programmes, the following actions will be taken in the selection and development of operations to ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaption, disaster resilience and management are integrated where appropriate:

- CCT assessment at all stages of the development of operations;
- Early and on-going specialist advice will be made available to beneficiaries for the implementation of operations;
- A programme of awareness raising and training will be provided to WEFO staff and beneficiaries on the benefits of, and best practice in, integrating the cross cutting themes;
- Guidance will be prepared together with best practice case study examples that will provide specific information on how beneficiaries can address the CCT within their operation plans;
- Regular monitoring of achievement of Sustainable Development commitments and outputs allowing for early intervention if necessary;
- Update reports to PMC and other stakeholders; and
- WEFO will encourage key equality, social inclusion and sustainable development organisations to engage and participate in an effective network of specialist support.

115. Sustainable Development result indicator targets will be set at a Priority Axis level providing an important driver to ensure that operations
Cross Cutting Themes – Sustainable Development

address the programme’s CCT objectives. Targets will include, but are not limited to:

- For operations within the Skills for Growth priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.

- 75% of operations within the Tackling Poverty through Sustainable Employment priority and 10% of operations within the Skills for Growth and the Youth Employment priorities will integrate sustainable development into awareness raising, education and training programmes.
Cross Cutting Themes: Equal Opportunities

Equal opportunities and non-discrimination

116. The integration of equal opportunities, gender mainstreaming and the Welsh language (which we also include in the Equal Opportunities CCT) is important not only for legal reasons, but also because overcoming inequalities between different social and demographic sections of society contributes to the overall effectiveness of the activity delivered by the programmes.

117. The Welsh Government launched its Strategic Equality Plan (2012-16) and equality objectives on 2 April 2012. These highlight how the Welsh Government is fulfilling its legal obligations as well as its strong commitment to equality and inclusion. The Strategic Equality Plan was developed in-line with the general duties under the Public Sector Equality Duty (PSED) of the Equality Act 2010. The PSED states that public authorities must have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

118. An Equality Impact Assessment (EIA) has been undertaken to highlight potential impacts of the ESF programmes on people with different socio-demographic characteristics. The EIA supports the compliance of the Welsh Government compliance with the PSED by providing evidence on the potential effects of the programme on people with the nine protected characteristics:

- Age;
- Disability;
- Gender Reassignment;
- Marriage and Civil Partnership;
- Pregnancy and Maternity;
- Race and Ethnicity;
- Religion and Belief;
- Sex / Gender; and
- Sexual Orientation.

119. The report concludes that the development of the 2014-20 ESF programmes has included extensive consideration of equality and because of this it is highly unlikely that there will be any disproportionate negative impacts on any of the characteristics protected under the Equality Act and that it will support the Welsh language as required by the 2006 Government of Wales Act.
Cross Cutting Themes – Equal Opportunities

120. Key equality objectives for the ESF programme which cover a number of the selected Thematic Objectives and Investment Priorities will be to:

- Reduce the numbers of young people not in education, employment or training (NEET);
- Reduce the over-representation of certain ethnic groups, care leavers and disabled young people among those who are NEET;
- Provide targeted support to employers to employ disadvantaged individuals;
- Support older workers, and those with health issues, to remain in work and continue to learn new skills;
- Identify and test solutions to pay and employment differences in Wales to overcome the negative impact that these have, in particular on women, disabled people and people from Black and Ethnic Minority (BME) groups;
- Create an environment which supports inclusive work places, promotes equality of opportunity for staff through improved employee engagement and supports the reconciliation of work and private life; and
- Support access for disabled people and those from BME backgrounds to training and employment opportunities.

121. The Welsh Chapter of the UK Partnership Agreement (PA) outlines the approach within all ESI fund programmes to the integration of equality, an approach acknowledged in the EIA as a key way of delivering equality through the Programmes. The Equality CCT will be implemented as part of the overall approach to the implementation of the CCT’s including the Sustainable Development CCT and Tackling Poverty CCT.

Selection and Development of Operations

122. Specific to this Programme, the following actions will be taken in the selection and development of operations to promote equal opportunities and prevent any discrimination based on the nine protected characteristics outlined above:

- On-going specialist advice will be made available to beneficiaries. Specialist input will be provided at an early stage to maximise take-up of the opportunities to promote gender mainstreaming and equal opportunities;
- A programme of awareness raising and training will be provided to Welsh Government staff and beneficiaries on integrating gender mainstreaming and equal opportunities;
- Activity level guidance will be prepared together with best practice case study examples;
- Regular monitoring of progress, through ‘forecast’ data and ‘actual’ achievement (monitored through the quarterly return system), allowing for early intervention if necessary;
- Update reports to PMC and other stakeholders; and
Cross Cutting Themes – Equal Opportunities

- Welsh Government will encourage key gender mainstreaming, equality and social inclusion organisations to be involved to establish a network of specialist support.

123. Equality result indicator targets will be set at a Priority Axis level providing an important driver to ensure that operations address the programme’s CCT objectives. Targets will include, but are not limited to:

- For Operations within the Tackling Poverty through Sustainable Employment and Skills for Growth priorities 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.

124. Further examples of specific actions are included in the Tackling Poverty and Social Exclusion Cross Cutting Theme, which further identifies groups likely to face discrimination and poverty.

**Equality between men and women**

125. The Welsh Government's Gender Equality Scheme sets out its plans to promote equality of opportunity for women and men in Wales. Although the Welsh Government has no specific duty to produce a Gender Equality Scheme it wants to be recognised for providing an exemplary service to women and men in Wales by developing strategies and policies that are effective and outcome focused.

126. Key Equality Objectives for the ESF programme which cover a number of the selected Thematic Objectives and Investment Priorities will be to:

- Overcome the negative impact that pay and employment differences have on women in Wales;
- Create an environment which supports inclusive work places, which promote equality of opportunity for staff through improved employee engagement and for reconciliation of work and private life;
- Challenge occupational segregation by increasing the numbers of women and men training or retraining in non-traditional areas (e.g. childcare, social care) focusing on areas where there are skills shortages;
- Challenge traditional employment roles where gender stereotypes may exist and assist young people, both males and females, to take up and retain employment in non-traditional areas or industries where specific genders are underrepresented, such as females in industries where STEM subjects are required (e.g. Engineering, Information Technology);
- Increase the representation of women in STEM courses;
- Provide affordable, quality childcare which meets the need of a modern economy and its workforce;
- Identify and support opportunities to promote and facilitate the use of the Welsh language; and
- Recognise health and wellbeing as one of the cornerstones of a healthy, vibrant economy.
127. Operations funded through the Tackling Poverty through Sustainable Employment and Skills for Growth Priority Axes will be required to contribute to the following Result Indicator:

- Employers adopting or improving equality and diversity strategies and monitoring systems.

128. The Welsh Chapter of the UK Partnership Agreement looks to identify how, as part of the Equality CCT, overcoming inequalities between men and women and promoting gender equality will be addressed. The Equality CCT will be implemented as part of the overall approach to the implementation of the CCT’s including the Sustainable Development CCT and Tackling Poverty CCT.

Selection and Development of Operations

129. Specific actions are included where relevant in each Priority Axis section. These actions reflect the ESF Programme strategy and include a specific focus on the needs of women in employment. They will help to tackle the gender pay gap and support the role of women in the workplace, as well as challenging occupational segregation where it exists.

130. Specific actions within the programme for the selection and development of operations to promote and deliver the equality objectives above are identified above.
Cross Cutting Themes: Tackling Poverty and Social Exclusion

131. In Wales poverty is defined as ‘A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities, or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society’. Social Exclusion or the ability to participate is strongly linked therefore to issues of Poverty.

132. The Socio Economic Analysis and the Equality Impact Assessment (EIA) demonstrates that those who are more likely to be at risk of exclusion, poverty, disadvantage or discrimination are not confined to any particular area. Place based geographical targeting through for example the Welsh Index of Multiple Deprivation 2011 (WIMD) can help to demonstrate where concentrations of disadvantage and poverty exist.

133. The WIMD is the official measure of deprivation for small areas in Wales which are called Lower Super Output Areas (LSOAs). Although the geographical size of these LSOAs varies quite widely, and depends on the local population density, the populations are intended to be roughly the same in each, with an average population of 1,500. In WIMD 2011, the most deprived LAU1 (local authority) area is defined as the authority with the greatest fraction of its LSOAs in the most deprived 10% of all LSOAs in Wales. This method can be seen as identifying the concentration of the most deprived areas in a local authority, rather than an average level of deprivation.

134. As stated in the Socio Economic analysis, interventions designed to improve employment and income outcomes are more likely to succeed when focussed on individuals. However the Welsh approach to the development of integrated activity as outlined in the section on the integrated approach to territorial development will be of particular importance for investments which seek to target those at risk of poverty, disadvantage and exclusion and linking these target groups with economic opportunity and growth at local, regional and national level and placed based investments made across the ESI funds. All operations will be expected to incorporate such linkages and integrated approaches at an early stage in the development process.

135. The strategy and priority sections of this programme are broadly developed around three core target groups. These can be summarised as those in work, those out of work and young people. However it is recognised that whilst those who are most at risk of poverty, disadvantage, discrimination or exclusion may be found to a higher degree in one or other of the groups above they are not limited to any particular one of these areas. Discrimination or social exclusion is likely to be associated with individuals with specific individual (or multiple) characteristic or socio-economic circumstance. More entrenched issues
of discrimination, poverty or exclusion are likely to be associated where multiple circumstances exist.

136. The EIA, which accompanies this programme, provides a robust assessment of the needs of those who may be at risk of exclusion, disadvantage or discrimination as a result of one or more characteristics protected under the Equality Act (2010) and their specific needs in terms of supporting access to employment and skills. These ‘protected characteristics’ include age (covering all age groups), disability, gender reassignment, marriage and civil partnership pregnancy and maternity, race and ethnicity, religion or belief, sex / gender and sexual orientation.

137. The EIA highlights that groups with characteristics protected under the Equality Act 2010 can face specific issues that impact upon their ability to access and progress within the labour market, and which place them at greater risk of poverty and exclusion. The EIA: also shows that BME groups are disproportionately affected by unemployment\textsuperscript{60}, with ethnicity closely linked to income poverty.

138. The ESF programme and accompanying published documentation, including the Socio Economic analysis which accompanies this programme, identifies additional target groups or individuals who are associated with particular socio economic circumstances and the particular challenges they may face. These economic circumstances may be both a means of identifying the individual or describing the barrier which they face to participation.

139. These can be summarised as

- workless households;
- those furthest from the labour market, such as those with complex issues (welfare dependency, mental health, emotional or financial or homelessness), including those in persistent poverty;
- those with alcohol dependency or substance misuse issues;
- those in poverty or at risk of poverty as a result of underemployment or barriers to employment and employability;
- those with accessibility issues including difficulties accessing transport;
- Young people, NEET and those who are at risk of becoming NEET;
- those with care or childcare responsibilities, including teenage mothers and lone parents;
- workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness;

\textsuperscript{60} See Institute for Race Relations: \url{http://www.irr.org.uk/research/statistics/poverty/}.
Cross Cutting Themes – Tackling Poverty and Social Exclusion

- those facing in-work poverty; and
- those at risk of slipping out of sustained employment or facing individual or work place barriers to progression in-work relating to issues such as ill-health and caring responsibilities.

140. The more complex the barriers or the greater the number of recognised characteristics individuals possess the greater likelihood of poverty or higher the risk of becoming poor.

141. Children from poorer or disadvantaged backgrounds and whose mothers have no qualifications have lower educational and occupational outcomes than other children. They are at risk of poor educational attainment, are more likely to have poorer health outcomes and have lower skills and aspirations, as well as being more likely to be low paid, unemployed and welfare dependent in adulthood. Research into child poverty emphasises the importance of improving parenting and children’s early development as a means of ending the inter-generational transmission of child poverty.

142. The Welsh Government Youth Engagement and Progression Framework and associated guidance will be key to identifying and targeting those young people most at risk of NEET. Early identification systems, pre 16, will focus as a core on attendance, behaviour and attainment indicators to identify, prioritise and track those most at risk of becoming NEET. The programmes in WWV will target those who within this framework are identified as most at risk.

Objectives and Actions

143. The commitment to promote social inclusion and combat poverty is reflected through the inclusion of a new horizontal objective or Cross Cutting Theme (CCT) across all ESI funds which will be an integral element of the overall programme approach to the implementation of the CCT’s including Sustainable Development CCT and Equality of Opportunity CCT. Details of this approach and the overall approach of ESI funds in tackling poverty and social exclusion are included in the Welsh Chapter of the UK Partnership Agreement (PA) and further expanded below. The strategy for the ESF programmes has been developed in line with this overall approach.

144. The key Tackling Poverty CCT objectives for ESI fund programmes in Wales are:

- the creation of jobs and growth providing employment opportunities for those who are out of work;

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61 UKCES (2010); The Value of Skills: An Evidence Review
62 2011 Children and Young People’s Wellbeing Monitor for Wales
Cross Cutting Themes – Tackling Poverty and Social Exclusion

- tackling barriers to employment such as poor skills, lack of childcare or limited transport options, helping more people to access employment opportunities; and
- focusing on growth aligned with skills development interventions, enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs.

145. Specific activities within the implementation of the CCT will ensure that poverty, and the needs of those most at risk of poverty and discrimination will be central to all operations. Actions will include:

- targets set at the level of activities to be supported by the programme, providing an important driver to addressing the programme’s CCT;
- CCT assessment at all stages of the development of operations;
- on-going specialist advice to support operations through development and implementation providing specialist input at an early stage in the process to maximise take-up of the opportunities to promote the CCT;
- a programme of awareness raising and training will be provided to WEFO staff and beneficiaries on how to integrate the CCT;
- preparing activity level guidance together with best practice case study examples that will provide specific information on how beneficiaries can address the CCT within their operation plans;
- regular monitoring of progress, allowing for early intervention if necessary; and
- update reports to PMC and other stakeholders.

146. The Welsh Government has a cross governmental focus on tackling poverty. The Tackling Poverty Action Plan argues that the Welsh Government’s commitment to social justice and equality of opportunity makes it essential in the current climate to continue to drive forward tackling poverty by prioritising the needs of the poorest and protecting those most at risk of poverty and exclusion. Particular emphasis is placed on providing good quality, affordable childcare and targeted action to help people improve their skills and qualifications, recognising that the best route out of poverty is through employment.

147. The ESF programmes will reinforce the Welsh Government expectation that integrated action will be taken within the ESI programmes to promote social inclusion and combat poverty, contributing simultaneously to the EU2020 initiative and the Welsh Government’s Tackling Poverty Action Plan. For this to work effectively operations will need to clearly demonstrate at assessment, the integration of ESF interventions to address poverty and discrimination, with wider economic
investments and growth opportunities, including placed based investment, through other ESI funds.

148. As discussed in the Welsh Chapter of the UK PA actions will not be undertaken which are solely aimed at addressing the effects of poverty. The ESF programme will deliver an integrated programme of interventions that combat poverty and social exclusion, economic inactivity and worklessness while also taking preventative action to support those at risk of falling into poverty. Results will be evidenced through reduced rates of poverty and persistent poverty, reduced unemployment, including youth unemployment, and economic inactivity. There will be fewer workless households and hours lost in work due to sickness. Qualification levels and earnings will be increased, and in terms of the longer term legacy impacts, early school leaving, NEET rates, especially amongst those 16-18, and the numbers of those at risk of NEET will be reduced.

149. The ESF programme is constructed around three main Priority Axes: **Tackling Poverty through Sustainable Employment, Skills for Growth and Youth Employment and Attainment.** In line with the ESF regulations we will commit at least 20% of our ESF to the ‘promoting social inclusion, combating poverty and any discrimination’ Thematic Objective. This concentration will be achieved through the Tackling Poverty through Sustainable Employment priority.

150. Promoting access to sustainable employment is seen in Wales as the main route for tackling poverty and social exclusion and there are also substantial economic benefits from increasing employment rates and tackling economic inactivity. Individuals in workless households are also more likely to experience persistent poverty, so actions which support this group in particular will be important, as will actions which support people to remain in work. Many other longer term benefits can also be realised from sustainable employment, for example improved health and well being and tackling disadvantage and deprivation.

151. However as the evidence above shows poverty, the risk of poverty, discrimination and exclusion are not limited to unemployed individuals only. The programme recognises this and will look to undertake actions which will reduce poverty and the risk of poverty through all priorities. These actions themselves will not contribute to the poverty concentration target however they will be intrinsic to a coordinated and holistic approach to addressing the target groups identified and those at most risk of poverty.

152. The Skills for Growth Priority Axis will support investment in skills to support progression in employment, including for those with no skills or basic skills, and therefore help tackle in-work poverty. Actions will support those in low paid, low hour or temporary jobs, together with working with employers to develop leadership and management skills to promote workforce development, employee progression and
opportunities for part time workers. Supporting progression opportunities will have wider employment benefits and have the potential to free up entry level jobs for the unemployed.

153. The Youth Employment and Attainment Priority Axis will support action to increase the rate of youth employment and reduce the impacts periods of unemployment or NEET can have on income and poverty in the long term. Increasing engagement and attainment amongst our young people will reduce the risk of future NEET or unemployment and reduce longer term risks of poverty. Targeting the development of early years services will deliver a long term legacy impact on the life chances of our youngest children.
<table>
<thead>
<tr>
<th>Target group</th>
<th>Main types of actions</th>
<th>Priority Axis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workless households</td>
<td>• Activities to address and overcome the complex barriers to accessing sustainable employment and improving employability.</td>
<td>Tackling Poverty through Sustainable Employment</td>
</tr>
<tr>
<td>Those furthest from the labour market</td>
<td>• Activities to address and overcome complex barriers to accessing sustainable employment and improving employability.</td>
<td>Tackling Poverty through Sustainable Employment</td>
</tr>
<tr>
<td>Those with alcohol dependency or substance misuse issues</td>
<td>• Targeted action to address the wider associated causes of the low pay / no pay cycle.</td>
<td>Tackling Poverty through Sustainable Employment</td>
</tr>
<tr>
<td>• Activities to address and overcome complex barriers to accessing sustainable employment and improving employability.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Those with alcohol dependency or substance misuse issues</td>
<td>• Interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability.</td>
<td>Skills for Growth</td>
</tr>
<tr>
<td>Those in poverty or at risk of poverty as a result of underemployment or barriers to employment and employability</td>
<td>• Targeted action to address the wider associated causes of the low pay / no pay cycle.</td>
<td>Tackling Poverty through Sustainable Employment</td>
</tr>
<tr>
<td>• Activities to address and overcome complex barriers to accessing sustainable employment and improving employability.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Activities with employers to support workforce development, promote flexible working arrangements and address health related issues within the workforce.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operational Programme for the European Social Fund for West Wales and the Valleys
### Target Group

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Main Types of Actions</th>
<th>Priority Axis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those in poverty or at risk of poverty as a result of underemployment or barriers to employment and employability</td>
<td>- Actions to provide basic and essential skills or technical or job specific vocational qualifications.</td>
<td>Skills for Growth</td>
</tr>
<tr>
<td>Those with accessibility issues including difficulties accessing transport</td>
<td>- Actions to support individuals impacted by redundancy to diversify employment options and to access sustainable employment opportunities.</td>
<td>Tackling Poverty through Sustainable Employment</td>
</tr>
<tr>
<td></td>
<td>- Targeted action to address the wider associated causes of the low pay / no pay cycle.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Activities to address and overcome complex barriers to accessing sustainable employment and improving employability.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.</td>
<td></td>
</tr>
<tr>
<td>Young People, NEET and those who are risk of becoming NEET</td>
<td>- Support young people to access and maintain sustained employment, equipping them with a range of skills that allow them to be more flexible and adaptable in a fast changing labour market.</td>
<td>Youth Employment and Attainment</td>
</tr>
<tr>
<td></td>
<td>- Activities to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Action to combat disaffection, provide access to a broader and innovative range of learning options and prevent young people from falling out of education.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Increase engagement and attainment levels of young people 11-19 in STEM subjects, promoting STEM related career paths.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Support the development of skills in the early years and childcare sector.</td>
<td></td>
</tr>
</tbody>
</table>
## Cross Cutting Themes – Tackling Poverty and Social Exclusion

<table>
<thead>
<tr>
<th>Target group</th>
<th>Main types of actions</th>
<th>Priority Axis</th>
</tr>
</thead>
</table>
| Those with care or childcare responsibilities, including teenage mothers and lone parents | • Targeted action to address the wider associated causes of the low pay / no pay cycle.  
• Activities to address and overcome complex barriers to accessing sustainable employment and improving employability.  
• Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.  
• Activities with employers to support workforce development and promote flexible working arrangements. | Tackling Poverty through Sustainable Employment                   |
| Those with care or childcare responsibilities, including teenage mothers and lone parents | • Actions to provide basic and essential skills or technical or job specific vocational qualifications.  
• Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges.  
• Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.  
• Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.  
• Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices. | Skills for Growth                                               |
## Cross Cutting Themes – Tackling Poverty and Social Exclusion

<table>
<thead>
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<th>Target group</th>
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• Activities to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.  
• Action to combat disaffection, provide access to a broader and innovative range of learning options and prevent young people from falling out of education.  
• Increase engagement and attainment levels of young people 11-19 in STEM subjects, promoting STEM related career paths.  
• Support the development of skills in the early years and childcare sector. | Youth Employment and Attainment |
| Workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness | • Actions to access sustainable employment, including activities to address and overcome complex barriers to accessing sustainable employment and improving employability.  
• Actions to support individuals impacted by redundancy to diversify employment options.  
• Targeted action to address the wider associated causes of the low pay / no pay cycle. | Tackling Poverty through Sustainable Employment |
## Cross Cutting Themes – Tackling Poverty and Social Exclusion

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<thead>
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• Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges.  
• Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.  
• Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.  
• Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices. | Skills for Growth |
| Those facing in-work poverty | • Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.  
• Activities with employers to support workforce development, promote flexible working arrangements and address health related issues within the workforce. | Tackling Poverty through Sustainable Employment |
### Cross Cutting Themes – Tackling Poverty and Social Exclusion

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• Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges.  
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• Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.  
• Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices. | Skills for Growth |
| Those at risk of slipping out of sustained employment or facing individual or workplace barriers to progression in-work relating to issues such as ill-health and caring responsibilities | • Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment.  
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<th><strong>Main types of actions</strong></th>
<th><strong>Priority Axis</strong></th>
</tr>
</thead>
</table>
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- Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.  
- Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.  
- Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices. | Skills for Growth |
Priority Axis 1: Tackling Poverty through Sustainable Employment

Introduction

154. The Priority Axis has been developed in line with the aims and objectives of the ESF programme in West Wales and the Valleys (WWV) and in particular:

Aim:
To tackle poverty and social exclusion by increasing labour market participation and helping people to access sustainable employment

Objectives:
To reduce poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market; and
To reduce inequalities in the labour market amongst women and recognised equality groups.

155. The Welsh Government has a clear commitment to tackling poverty in Wales. The ESF Programme Strategy and actions within this Priority Axis have been developed to support this commitment and to align to the CSR to continue efforts to reduce child poverty in low-income households.

156. The definition of poverty in Wales is based on not having ‘sufficient resource’, or income, and the lack of ability to ‘participate in activities’, or social exclusion. The Priority Axis itself will deliver interventions that align with Welsh Government policy, as articulated within its Tackling Poverty Action Plan, which states that the best route out of poverty is through employment and focuses on removing barriers to employment and helping people to move onto the employment ladder.

157. The overall objective of this Priority Axis is therefore to reduce levels of poverty and persistent poverty in WWV through supporting access to sustainable employment. As part of the strategy outlined in the Tackling Poverty and Social Exclusion Cross Cutting Theme, the focus will be on supporting people, particularly those at greatest risk of poverty and social exclusion, or furthest from the labour market to increase employability and access and stay in sustainable employment.

158. The guiding principle of all interventions will be moving the individual towards achieving and maintaining sustained employment, including self-employment, as a means of tackling poverty.

159. This Priority Axis will be delivered through a single Thematic Objective ((9)(9) –Promoting social inclusion, combating poverty and any discrimination). While some of the proposed interventions may also fit within the (9)(8) Promoting sustainable and quality employment and
Priority Axis 1 – Tackling Poverty through Sustainable Employment

supporting labour mobility Thematic Objective, coordination of sustainable employment interventions to tackle poverty through a single Thematic Objective and Investment Priority will ensure greater integration both within the programmes and with poverty actions across all ESI funds.

160. Experience from the 2007–2013 programmes shows that integration of interventions is key to achieving successful employment outcomes for the individual. In addition, much of the core employment services which might be delivered through an employment Thematic Objective are non-devolved and delivered as part of mainstream UK Government programmes.

161. This Priority Axis will align with, complement, and add value to, UK mainstream labour market programmes through delivering a single coordinated approach to improving employment and employability for individuals as a route-way out of poverty. The principles of specific eligibility around mainstream UK Government programmes will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 1

Specific Objective 1: To increase the employability of those closest to the labour market at most risk of poverty.

Results for the Specific Objective

162. This Specific Objective will increase the employability of those closest to the labour market at most risk of poverty. The targeting approach will be in line with the strategy on poverty outlined in the Tackling Poverty and Social Exclusion Cross Cutting Theme, supporting those who may be vulnerable to cycles of work and worklessness (the low pay no / pay cycle), and complement the strategic approach to youth unemployment outlined in Priority Axis 3. Investments will focus on those over the age of 25 who are short term unemployed and who have low or no skills or a work limiting health condition or disability or individuals who have been impacted by redundancy.

163. With supporting access to employment as the central underlying principle and considering the relative proximity of the cohort group to the labour market, it may be possible for ESF interventions to impact on the wider measures of employment for these cohort groups. Because of the wider economic influences on unemployment however, these longer term impacts would better suit measurement through evaluation.

164. The direct results of the Specific Objective will look to measure two main aspects of employability interventions; those gaining employment upon leaving; and, as a measure of enhanced employability, those gaining a qualification upon leaving. Results will also be measured for those in employment 6 months after leaving both to measure the longer term impacts of employability support and to measure the sustainability of employment outcomes.

165. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets have been set to ensure a genuine increase on the baseline and to reflect the specific target groups, especially around the acquisition of skills, and the predicted improvements in the labour market situation. Employment outcome targets for the short term unemployed target group aim to increase results to the level achieved in the 2007-2013 programmes against the general short term unemployed population.
Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit indicator</th>
<th>Output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving</td>
<td>Percentage</td>
<td>Short Term Unemployed participants with low skills or a work limiting health condition or disability</td>
<td>30</td>
<td>2013</td>
<td>33</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving</td>
<td>Percentage</td>
<td></td>
<td>40</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Short term unemployed participants with low skills or a work limiting health condition or disability in employment 6 months after leaving</td>
<td>Percentage</td>
<td></td>
<td>33</td>
<td>2013</td>
<td>45</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Individuals impacted by redundancy in employment upon leaving</td>
<td>Percentage</td>
<td>Individuals impacted by redundancy</td>
<td>50</td>
<td>2013</td>
<td>55</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Individuals impacted by redundancy gaining a qualification upon leaving</td>
<td>Percentage</td>
<td></td>
<td>40</td>
<td>2013</td>
<td>70</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Individuals impacted by redundancy in employment 6 months after leaving</td>
<td>Percentage</td>
<td></td>
<td>55</td>
<td>2013</td>
<td>60</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 1

166. 75% of operations within the Tackling Poverty through Sustainable Employment Priority will integrate sustainable development into awareness raising, education and training programmes.

167. For Operations within the Tackling Poverty through Sustainable Employment Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 1

Actions

168. In delivering to Specific Objective 1, actions under this Investment Priority will target those closest to the labour market, over 25 years of age, who are at most risk of poverty. Actions will primarily support the short term unemployed (up to 12 months) with no / low skills or a work limiting health condition or disability and those impacted by redundancy (defined as those under formal notice of redundancy and those redundant within the past 3 months).

169. Actions will operate as part of a coordinated approach within the Priority Axis to target individuals at most risk of poverty including those who may be trapped, or at risk of becoming trapped in low pay no pay cycles to overcome barriers to accessing sustainable employment as a means of tackling and preventing poverty. Actions will ensure that individuals are able to access integrated and personalised provision which is designed to addresses their range of needs, thereby avoiding any requirement for participants to access a multiple and complex configuration of interventions.

170. Declines in the traditional low-skilled industries have left low skilled workers and those impacted by redundancy either at risk of long term unemployment or vulnerable to cycles of work and worklessness, trapped in alternating periods of no-pay or low pay. Similarly those with work limiting health conditions or disabilities have lower employment rates and are at most risk of longer term poverty and worklessness. Investments will provide reactive and responsive solutions to address labour market fluctuations, helping to increase employability and encourage diversification into more sustainable employment opportunities.

171. On-going support to sustain employment may be a key factor to prevent and break cycles of work and worklessness, the ‘revolving door’ effect. Interventions may for a short period and where appropriate, provide appropriate measures, such as mentoring, to ensure the sustainability of employment outcomes.

172. Indicative actions which could be undertaken in support of Specific Objective 1 and to the target groups identified above could include:

- Actions to support those with no or low skills or work limiting health conditions to access sustainable employment, including job search and alignment of existing skills and competencies with work opportunities;
- Actions to support those with low or now skills or a work limiting health condition or disability, and those impacted by redundancy, to update or increase their skills and qualifications;
- Activities which provide access to broader and more sustainable employment opportunities by tackling work limiting health conditions or disabilities as a barrier to sustainable employment;
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 1

- Actions to support individuals impacted by redundancy to diversify employment options and to access sustainable employment opportunities particularly in emerging areas of economic growth; or
- Targeted action to address the wider associated causes of the low pay / no pay cycle amongst the target group such as debt and finance management or care and childcare responsibilities.

173. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

174. Beneficiaries of funding under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); universities; and the private sector.
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term unemployed with no / low skills or a work limiting health condition or disability</td>
<td>Persons</td>
<td>5,999</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Individuals impacted by redundancy</td>
<td>Persons</td>
<td>12,001</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

175. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories.

- Gender
- Age (over 54 years)
- Disability
- Work limiting health conditions
- Migrants / BME / Minorities (including marginalised communities such as the Roma)
- Care / Childcare responsibilities
Specific Objective 2: To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment.

Results for the Specific Objective

176. The main focus of this Specific Objective is to increase the employability for both Economically Inactive individuals over 25 with complex barriers to employment and Long Term Unemployed individuals over 25 with complex barriers to employment. As set out in the strategy there are a number of characteristics for the economically inactive or long term unemployed demographic which are linked to higher than average rates of economic inactivity or long term unemployment. These barriers are shown to be multiple and complex and include work limiting health conditions or disabilities, low or no skills and individuals in jobless households.

177. There are no specific measures of employability at a national or regional level. It may be possible through supporting the target groups to access employment to contribute to reductions in Economic Inactivity or Long Term Unemployment amongst the target group however this data is subject to significant external factors and these results alone will not truly reflect the overall investments within the Specific Objective.

178. The direct results therefore will be focused around a number of proxy indicators for employability to include the number of the specific target group gaining a qualification or work relevant certification upon leaving, the number completing a work experience placement or volunteering opportunity and for the Economically Inactive cohort, the number engaged in job search upon leaving.

179. In addition, result indicators will be included for the number entering employment and self employment upon leaving and to further evidence the sustainability of the employment outcome the number in employment or self employment 6 months after leaving. It may also be possible through evaluation to measure the longer term impact on Economic Inactivity and Long Term Unemployment rates in a way which takes account of the range of external factors which impacts on these macro level indicators.

180. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets on skills and qualifications have been set to reflect the additional focus on those with no skills and the inclusion of work relevant certification. For employment outcomes, ambitious targets have been set which will help increase the employment outcomes of each specific target group towards those of the general population or those closest to the labour market. Some targets will only aim to match the existing baselines. This reflects the new and uncertain nature of these targets where baselines indicators are not a direct match but provide a useful benchmark to work to.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit indicator</th>
<th>Output indicator used as basis for target setting</th>
<th>Baseline value</th>
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<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment entering employment including self employment upon leaving</td>
<td>Percentage</td>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment</td>
<td>14</td>
<td>2013</td>
<td>20</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment engaged in job search upon leaving</td>
<td>Percentage</td>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment</td>
<td>25</td>
<td>2013</td>
<td>25</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment gaining a qualification or work relevant certification upon leaving</td>
<td>Percentage</td>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment</td>
<td>40</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity</td>
<td>Percentage</td>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment</td>
<td>54</td>
<td>2013</td>
<td>54</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
### Priority Axis 1 – Tackling Poverty through Sustainable Employment

#### Specific Objective 2

<table>
<thead>
<tr>
<th>Objective Description</th>
<th>Percentage</th>
<th>Year</th>
<th>Target</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment in employment including self employment 6 months after leaving</td>
<td></td>
<td>20</td>
<td>2013</td>
<td>45</td>
</tr>
<tr>
<td>Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment, including self employment, upon leaving</td>
<td></td>
<td>20</td>
<td>2013</td>
<td>25</td>
</tr>
<tr>
<td>Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving</td>
<td></td>
<td>40</td>
<td>2013</td>
<td>50</td>
</tr>
<tr>
<td>Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity</td>
<td></td>
<td>54</td>
<td>2013</td>
<td>54</td>
</tr>
<tr>
<td>Long-term unemployed (aged 25 and over) who have complex barriers to employment in employment including self employment 6 months after leaving</td>
<td></td>
<td>25</td>
<td>2013</td>
<td>45</td>
</tr>
</tbody>
</table>
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 2

181. 75% of operations within the Tackling Poverty through Sustainable Employment Priority will integrate sustainable development into awareness raising, education and training programmes.

182. For Operations within the Tackling Poverty through Sustainable Employment Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 2

Actions

183. In delivering to Specific Objective 2, actions under this Investment Priority will target those furthest from the labour market with complex barriers to employment. In line with the poverty strategy in the Tackling Poverty and Social Exclusion Cross Cutting Theme, there are 2 main targets groups within this Specific Objective. The target groups are recognised as being most at risk of poverty and whilst distinct can be addressed through the single Specific Objective as the barriers they face will be similar. The target groups will be Economically Inactive (aged 25 and over), not in education or training who have complex barriers to employment, and Long-term unemployed (aged 25 and over), who have complex barriers to employment.

184. The Economically Inactive target group will have one or more of the following barriers to employment; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); care or childcare responsibilities; are over 54; or from a jobless household. Similarly the Long-term unemployed group will have one or more of the following barriers; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); are from a BME (Black, Minority, Ethnic) group; or from a jobless household. Separate eligibility criteria around UK Government Welfare programmes may apply; these criteria will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.

185. Actions will operate as part of a coordinated approach within the Priority Axis to support the target groups to increase employability, to address barriers to labour market participation, to access sustainable employment and realise the opportunities employment can bring in tackling poverty.

186. Individuals such as these who are furthest from the labour market face multiple and complex barriers to achieving sustained employment, including skills and qualifications, transport, care and childcare, financial and emotional barriers as well as attitudes to work and welfare dependence. Recent periods of recession and labour market uncertainty have presented additional challenges for these individuals when competing for the opportunities available. Actions will support activities to help address these multiple and complex barriers and ensure that individuals are able to access integrated and personalised provision which is designed to addresses their range of needs, thereby avoiding any requirement for participants to access a multiple and complex configuration of interventions.

187. Interventions will be personalised and focused on the needs of the individual in both the methods of engagement and in delivery. Delivery will be integrated with other wider strategies to address worklessness, poverty and disadvantaged communities. In line with the guiding principle of supporting employment as a route out of poverty, whilst
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 2

providing individual tailored support, interventions will focus on sustained employment as the desired outcome.

188. On-going changes in the UK Government Welfare system will bring challenges to the implementation of actions under this Specific Objective. Research shows\textsuperscript{64} that current welfare reform will be disproportionately regressive in Wales with greater impact on those most at risk of poverty including recognised equality groups. Integrated actions aligned within this Priority Axis will work to complement mainstream provision to support those most at risk to re-engage with the labour market and access sustainable employment and, in so doing, will align to the Country Specific Recommendation of reducing child poverty in low income households, which also cites the potential impact of Welfare Reform in relation to this aim.

189. Indicative actions which could be undertaken in support of Specific Objective 2 and to the target groups identified above could include:

- Activities, including the development of innovative solutions, to address and overcome the complex barriers faced by the target group in accessing sustainable employment and improving employability including for example through the provision of mentor support;
- Actions to address barriers such as care or childcare including innovative actions linked to improving the availability of affordable quality childcare;
- Actions to support the target groups to access sustainable employment opportunities, particularly in areas of economic and employment growth, including basic job search, CV writing and interview skills;
- Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate;
- Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification;
- Support for the Economically Inactive target group to develop self confidence and perception of work as a meaningful and realistic option; or
- Targeted actions, where appropriate, to address other associated barriers to sustainable employment amongst the target group such as prolonged periods of worklessness, ICT, transport and finance and debt management.

\textsuperscript{64} Adams, S & Phillips, D Institute for Fiscal Studies (2013); An ex-ante analysis of the effects of the UK government’s welfare reforms on labour supply in Wales (IFS Report 75)

Operational Programme for the European Social Fund for West Wales and the Valleys
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 2

190. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

191. Beneficiaries of funding under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); universities; and the private sector.
### Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment. These complex barriers are; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); care or childcare responsibilities; are over 54; or from a jobless household</td>
<td>Persons</td>
<td>36,000</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Long-term unemployed (aged 25 and over) who have complex barriers to employment. These complex barriers are; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); are from a BME (Black, Minority, Ethnic) group; or from a jobless household</td>
<td>Persons</td>
<td>10,800</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

192. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories.

- Gender
- Age (over 54 years)
- Disability
- Work limiting health conditions
- Migrants / BME / Minorities (including marginalised communities such as the Roma)
- Care / Childcare responsibilities
Specific Objective 3: To reduce underemployment or absence rates for employed individuals with work limiting health conditions and/or other barriers to sustainable engagement with the labour market.

Results for the Specific Objective

193. This Specific Objective will aim to reduce underemployment or absence rates as a result of barriers such as ill health, work limiting health conditions or disabilities, caring or childcare responsibilities, preventing such barriers becoming drivers to poverty and exclusion from the labour. Actions will be to those who already have contracts of employment and will complement actions to unemployed participants in Specific Objectives 1 and 2 above. The specific focus will be on those with work limiting health conditions or disabilities and those who are underemployed with barriers to full employment.

194. Underemployment is defined as the underutilisation of the productive capacity of employed persons i.e. when specific issues or barriers prevent employed persons from being able to fully utilise their existing capability. The specific results will therefore focus on measures which can demonstrate further utilisation of capacity upon leaving ESF provision and will include for example increased working hours or gaining a permanent contract.

195. There are a number of wider Wales measures included in the strategy section which this Specific Objective will seek to influence and which inform the rational for intervention, these include hours lost to sickness and the number of employees absent for 4 weeks and part time working as a percentage of employment.

196. Absence rates in particular will be harder to influence at a national level and therefore the direct measurable results will also focus on those with work limiting health condition or disability returning to work after a period of absence upon leaving the ESF provision.

197. The Specific Objective will also work with micro, small and medium sized enterprises to encourage workforce development and the adoption of flexible working practises. This specific element will be measured through the number of enterprises having adopted or improved equality and diversity strategies and monitoring systems. This result indicator will also be a key contributor to the Cross Cutting Themes agenda.

198. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets have been set to match the baselines where relevant. Experience from the 2007-2013 programmes show that these outcomes represent realistic ambitions in these areas.

199. The result measures of returning to work after a period of absence and improved labour market situation upon leaving introduce a new targeting
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 3

approach to the ESF programmes, focusing on specific demographic groups within the employed workforce and articulating a specific desired result for these groups. Such measures have not previously been in place within the ESF programmes and comparable national data is not available due to the high degree of specificity within the demographic targeting. These factors have not allowed for baselines to be set for these indicators. Ambitious but achievable targets have however been set for these result measures, reflecting the commitment within the programmes to achieve meaningful benefit for these target groups while acknowledging the complexities of interventions within this area. Evaluation will also be used to gauge the effectiveness of actions and the outputs and results achieved.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit indicator</th>
<th>Output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems</td>
<td>Percentage</td>
<td>Enterprises Supported</td>
<td>50</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with work limiting health condition or disability returning to work after a period of absence</td>
<td>Percentage</td>
<td>Employed, including self employed participants with work limiting health condition or disability</td>
<td>0</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with work limiting health condition or disability with an improved labour market situation upon leaving such as increased hours, permanent contract</td>
<td>Percentage</td>
<td></td>
<td>0</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Underemployed participants with an improved labour market situation upon leaving, such as increased hours, permanent contract</td>
<td>Percentage</td>
<td>Under-employed participants</td>
<td>0</td>
<td>2013</td>
<td>40</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 3

200. 75% of operations within the Tackling Poverty through Sustainable Employment Priority will integrate sustainable development into awareness raising, education and training programmes.

201. For Operations within the Tackling Poverty through Sustainable Employment Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 3

Actions

202. In delivering to **Specific Objective 3**, actions under this Investment Priority will target employed individuals at most risk of poverty or exclusion from sustainable employment. The focus will be on those in work who have a work limiting health condition or barriers to sustainable engagement with the labour market which may be a cause of underemployment, sickness absence or loss of employment.

203. Actions will operate as part of a coordinated approach within the Priority Axis to maintain sustainable employment as a means to prevent poverty. Actions will address barriers to employability, progression and labour mobility relating to health, disabilities and substance misuse or more personal barriers such as access to full time employment, age, caring and childcare responsibilities. Actions will ensure that individuals are able to access integrated and personalised provision which is designed to addresses their range of needs, thereby avoiding any requirement for participants to access a multiple and complex configuration of interventions.

204. Additional complementary actions will be undertaken with small and medium enterprises to encourage a cultural change in organisations towards a more diverse and healthy workforce. Employers will be supported to improve flexibility within the workplace, encouraged to adopt flexible work practices and promote the benefits a healthy workplace can bring to an organisation.

205. In support of the specific objectives of the cross cutting themes and horizontal principles, investments will look to address barriers which disproportionately affect one or more recognised equality groups.

206. Indicative actions which could be undertaken in support of Specific Objective 3 and to the target groups identified above could include:

- Activities which help people (employed and self employed) in the early stages of sickness absence to return to, and remain in, work to prevent poverty through loss of employment;
- Innovative activities which work with employed participants to help address barriers to mobility in the labour market (not including skills) and causes of underemployment such as ill health, caring or childcare responsibilities, transport barriers and substance and alcohol misuse;
- Activities with employers to support workforce development and to promote flexible working arrangements; or
- Activities with employers to address health related issues within the workforce and to develop or improve appropriate work place or occupational health programmes, adopting collaborative approaches in the delivery of occupational health services.

207. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objective 3

operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

208. Beneficiaries of funding under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); universities; and the private sector.
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants Employed, including self-employed with work-limiting health condition or disability</td>
<td>Persons</td>
<td>4,000</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Underemployed participants with barriers to full employment</td>
<td>Persons</td>
<td>4,000</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Number of micro, small and medium-sized enterprises supported</td>
<td>Enterprises</td>
<td>2,000</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Workplace health programmes</td>
<td>Programme count</td>
<td>300</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

209. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories.

- Gender
- Age (over 54 years)
- Disability
- Work limiting health conditions
- Migrants / BME / Minorities (including marginalised communities such as the Roma)
- Care / Childcare responsibilities
The guiding principles for the selection of operations

210. The following common principles will guide future selection of operations:

- An unequivocal focus on supporting sustainable jobs, employment and growth and operations which facilitate the role of the third sector and private sector;

- Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross cutting themes;

- Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes.

- Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;

- Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;

- Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and

- Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.

211. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- clear identification of the specific target groups, their needs and how actions will address these needs at a national, regional or local level as appropriate;

- growth sectors (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and

- areas of specific geographical opportunity (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objectives 1-3

**Additional principles relevant to the specific Investment Priority**

212. In line with the Tackling Poverty Action Plan and the outlined strategy in the Tackling Poverty and Social Exclusion Cross Cutting Theme for addressing those in most at risk of poverty, disadvantage and exclusion, interventions must be integrated with other wider strategies to address worklessness, poverty and disadvantaged communities.

213. In line with the guiding principle of supporting employment as a route out of poverty, all activity will be planned with a return to work focus (to achieve a job outcome) and all interventions and skills support will be designed to support individuals to achieve this goal.

214. Skills interventions, where needed, will look to achieve or progress individuals, where possible, to intermediate level on the National Qualification Framework (NQF) or above, outlining clear progression routes for those with no / low skills.

215. Actions should be flexible and responsive to labour market fluctuations; utilising and responding to LMI, which identifies skills needs and trends for coming years as a means to ensuring employment supply meets employment demand.

216. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.
Promotion of Social Innovation (SI) within the Priority Axis

217. All operations will be encouraged to consider the opportunities SI provides to pilot or develop innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI activities to explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place.

218. Potential areas for SI actions across the programme might include:

- targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;
- trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and
- support to trial and develop sustainable exit strategies through testing of new delivery models.

219. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic Interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.

220. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.

221. Specific actions within this Priority Axis might include, but are not limited to:

- Innovative approaches to engaging with those most at risk of disadvantage, furthest from the labour market or with multiple complex barriers to employment with a view to enhancing social integration, labour market participation and sustainable employment outcomes;
- Innovative actions to support the development of quality and affordable childcare where childcare is a barrier to sustainable employment; and
- Innovative approaches to addressing issues of poverty relating to underemployment including those with barriers relating to health, care or childcare.

222. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG’s) within EMFF). LEADER groups or FLAG’s, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models.
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objectives 1-3

These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in the section on the integrated approach to territorial development of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.

Specific Provision for Transnational Cooperation

223. Transnational cooperation actions will be targeted towards addressing specific needs within WWV while maximising the added value that can be delivered by transnational cooperation. Actions will involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.

224. Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to WWV and working to common goals. Actions should support transnational partnership working to share good practice and to develop and pilot innovative solutions, to develop and share high level skills and expertise and to develop and share skills and expertise that will support a modern knowledge-based economy and a modern, adaptable and agile labour market.

225. Specific actions within this Priority Axis might include, but are not limited to:

- Actions to share good practice and develop innovative approaches to supporting the long-term unemployed and economically inactive who are facing complex barriers to employment, to access the labour market.
- Actions to share good practice and develop innovative approaches to addressing barriers that limit an employed individual’s mobility in the labour market, cause underemployment or place continued employment at risk.

Contribution to other ESI Funds Investments

226. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under TOs 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TOs 1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals from farming and fishing communities will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and support the integrated approach to implementation.

227. ESF interventions in this Priority Axis will complement ERDF, EAFRD and EMFF interventions under TO3 to stimulate business growth, develop local supply chains that link into economic growth opportunities, encourage start ups and improve the productivity of SMEs through:
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objectives 1-3

- Increasing the supply of work-ready individuals and better linking workforce supply with employer demand, supporting SME’s to grow and increase productivity, including through diversification and expansion into new markets;
- Promoting entrepreneurship and self-employment as a means of enabling people to move out of poverty and engage with the labour market, ensuring that they are able to access financial support and advice provided through other ESI funds; and
- Increasing productivity by supporting individuals and enterprise to address underemployment resulting from in-work barriers such as work limiting health conditions and reducing the number of hours lost to sickness.

228. The integrated approach to tackling poverty across ESI fund programmes will see ESF interventions within this Priority Axis integrate with ERDF and EAFRD actions under TO4 and 7 to increase urban and labour mobility to and from key urban and employment centres and to improve rural connectivity. Thereby ensuring that ESF interventions to address barriers to accessing sustainable employment will complement sustainable transport solutions to improve physical accessibility to employment centres. There will also be complementarity with ERDF investments to reduce the number and percentage of households living in fuel poverty under TO4, both mitigating the impacts of poverty and equipping people to move out of poverty through employment.

Coordination between the Funds, the EAFRD, the EMFF and other Union and National Funding Instruments, and with the EIB

229. The approach to the delivery and coordination of the ESI funds in Wales is set out in the Welsh Chapter of the UK Partnership Agreement, with all funds being delivered together and overseen by a single Programme Monitoring Committee (PMC). A coordination group comprising representatives from the Managing Authorities for each of the Funds will be established to promote coordination across the Funds, identifying the most appropriate source of funding and building portfolios of operations in areas of common interest and ensuring no duplication of funding.

230. A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be used to drive synergy between ESI Funds and wider investments in the Welsh economy. The EPF aims to capture the wider investments which are of relevance to the ESI funds. Using this Framework, all ESI funds will be expected to add value to those wider investments, avoiding duplication and building on existing assets.

231. ESF investments in human capital will complement and combine with investments made by the wider ESI funds in order to facilitate the realisation of the overall aims and objectives of the ESI Funds in Wales. A strict approach to demarcation has been avoided for 2014-2020 to facilitate the joint development of schemes and operations. Therefore, where clear additionality to provision under EAFRD and EMFF is demonstrable,
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objectives 1-3

individuals involved in farming and fishing will be able to access ESF support.

232. Specific information on the complementarity between specific ESF Priority Axes and other ESI Funds is given below, while the contribution of the ESF programme to Thematic Objectives 1-7, is detailed in each ESF Priority Axis. The approach to coordination and integration with ERDF and EAFRD is outlined in the section on the integrated approach to territorial development, which highlights the use of existing planning and coordination mechanisms to prioritise investments and to identify and integrate the most appropriate ESI funding package.

233. In all cases complementary between investments will be sought and the potential for use of flexibilities or joint funding will be explored on a case by case basis. This will be achieved through the operation selection criteria by which every operation will be required, amongst a number of other criteria, to demonstrate:

- how they have considered the other relevant funding sources;
- to articulate how they are linking into or establishing complementarity with these funds and the investments which they are supporting; and
- to evidence how their proposal links into and adds value to wider investment programmes.

234. There will be opportunities for complementarity with actions being supported by the ESF programme in East Wales (EW). Common Priority Axes of “Tackling Poverty through Employment”, “Skills for Growth” and “Youth Employment” have been designed across both programmes, utilising the same Thematic Objectives and Investment Priorities. Both Programmes will be managed by WEFO as Managing Authority, with the same teams managing the equivalent Priority Axes across both programmes, overseen by an ESF portfolio management group.

235. Where the aims of the Programmes and Specific Objectives of the Priority Axes complement each other, WEFO will facilitate the establishment of both complementary operations and complementarity between operations. The approach will vary by Priority Axis dependant on the strength of the complementarity. It will also vary by operation, reflecting the proportionality principle.

236. Employment policy is a non-devolved competency area with benefit, welfare and core employment programmes policy and delivery managed through the UK Government. The UK Government programme for welfare reform will have a significant impact on the delivery of ESF supported employment actions both within this Priority Axis and the Youth Employment and Attainment Priority Axis. The ESF programmes, focused around an emphasis on poverty and sustainable employment, will complement and add value to mainstream provision in relevant areas. The Managing Authority will work alongside and support wider Welsh Government arrangements which coordinate the interrelationships with UK Government provision in these areas.
237. The Welsh National Eligibility Rules, made available via the WEFO website and updated throughout the programme period, will provide guidance on the eligibility of individuals in relation to the mainstream UK Government programmes. The guidance will support operations to demonstrate added value to mainstream provision, while avoiding duplication. An assessment of how any proposed operation fits within the context of mainstream UK Government employment support will be essential to demonstrate added value and will feature as part of the selection and assessment process.

238. ESF interventions to increase the supply of work-ready individuals and better link workforce supply to employer demand and promote self-employment as a means of engaging with the labour market will complement ERDF, EAFRD and EMFF investments to stimulate business growth and increased productivity and to develop local supply chains.

239. Rurality and peripherality exacerbate barriers to inclusion and participation. There is considerable scope for ESF interventions to increase the supply of work-ready individual to complement ERDF and EAFRD interventions to improve physical accessibility to employment and training opportunities and centres and to ensure that residents are able to take advantage of new opportunities which result from infrastructure investment (including any inward investment).

240. Specific links will also be made with the European Territorial programmes in which Wales participates, in particular where complementary investments can be made to support those areas where employment growth is anticipated. The co-location of a European Territorial Cooperation Unit with the Managing Authority for ESF, with WEFO acting as Managing Authority for the 2014-2020 Ireland-Wales Cooperation Programme, will help ensure coordination of these funds.

241. The European Globalisation Adjustment Fund offers support geared to helping workers who have suffered redundancy as a result of changing global patterns. Redundant workers as with the 2007-2013 programmes will remain an eligible target group for this Priority Axis. ESF interventions are designed to complement but not duplicate this primarily through addressing more localised economic patterns.

242. The Fund for European Aid to the most Deprived (FEAD) in the UK, is subject to specific geographical targeting and is not operating in Wales.

243. Complementarity exists between the Progress and EURES programmes and ESF actions. The Managing Authority will work closely with the UK National Contacts for these programmes to stimulate specific links and complementarities. An assessment of how any proposed operation fits within this context will feature as part of the selection and assessment process. Expert advice will be sought where required.

244. As with the ERDF SME Competitiveness Priority Axis, the European Progress Microfinance Facility (which supports selected microcredit providers in the EU to increase lending), offers the opportunity to create linkages between ESF interventions supporting those seeking to move towards sustainable employment through starting their own business and
Priority Axis 1 – Tackling Poverty through Sustainable Employment
Specific Objectives 1-3

business finance and start up support programmes. These will be key
linkages as it is not proposed to provide start up support through ESF.
Priority Axis 2: Skills for Growth

Introduction

245. The Priority Axis has been developed in line with the aims and objectives of the ESF programme in West Wales and the Valleys (WWV) and in particular:

Aim;
To invest in skills as a driver of productivity and growth, to aid progression within employment and improve the skills mix and diversity of our workforce.

Objectives;
To increase skills levels of the workforce, increasing the number of people qualified to intermediate level or above, reducing the number of people with no skills or basic skills only and increasing higher level skills in research and innovation and
to reduce inequalities in the labour market amongst women and recognised equality groups.

246. As recognised in the Country Specific Recommendations, investing in skills is a key driver in the development of a modern knowledge-based economy and in responding and adapting to economic changes. There is a strong correlation between qualification and skills, employment and earnings, with those in part time work more likely to have low skills, emphasising the role of skills development in addressing in-work poverty, up-skilling those with no or basic skills to support them to progress within the labour market.

247. The Priority Axis has been developed to coordinate skills investment in the workforce of WWV. Labour Market Intelligence will underpin investments and ensure interventions meet the needs of key economic growth areas and opportunities in Wales.

248. This framework and the associated European Commission Thematic Objectives, (9) (8) – promoting sustainable and quality employment and supporting labour mobility and (9) (10) – Investing in education, training and vocational training for skills and life-long learning) centred on a demand led approach, will ensure that employers have a suitably qualified workforce.

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65 Department for Business, Innovation and Skills (BIS) (2009); Economic Impact of Training and Education in Basic Skills. Summary of Evidence
66 UKCES (2010), The Value of Skills: An Evidence Review, July
67 Wales Institute of Social & Economic Research, Data & Methods (2013); Skills and the Quality of Work in Wales, 2006-2012: chapter 3: Broad Skills
68 Welsh Government (2013); Tackling Poverty Action Plan
workforce and that skills development and attainment levels are aligned with growth activity. It will also, through up-skilling low skilled workers and thereby addressing an important contributory factor to in-work poverty, complement Priority Axis 1: Tackling Poverty through Sustainable Employment, as part of an integrated approach to tackling poverty.

249. The inclusion of the equality based Investment Priority within Thematic Objective (8) is based on experience and success of this approach within the 2007-2013 ESF programmes. Investing in the skills of women in the workforce, as part of the wider skills priority, will provide a thematically coherent integrated approach to embedding skills interventions around the needs of the economy and employers. This approach will also complement equality actions across the programmes and the objectives of the Cross Cutting Themes.

250. Delivering to the needs of both employers and the wider economy will be the fundamental principle of all demand led skills interventions within this Priority Axis. Demand will be articulated in a number of ways including directly through employers or through research evidence on areas of economic opportunity or growth.
Specific Objective 1: To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills.

Results for the Specific Objective

251. The main focus of this Specific Objective is to increase the skills and qualification levels, including vocational skills, of employed (including self employed) individuals across WWV with no or low skills. It will target those qualified to ISCED Level 2 (lower secondary education) or below, including those with no formal qualifications, with a focus on both increasing their qualification levels and on addressing skills gaps at this level.

252. As set out in the Strategy, of those working age adults in employment in Wales, the most recent figures show that approximately 43% have either no or low (up to and including NQF Level 2) qualifications. At a more detailed level, of the working age adults in employment, 6.9% have no qualifications at all, while 14.1% have below NQF level 2 qualifications and 21.7% have qualifications at NQF level 2.

253. While there are no specific measures for skills gaps, research indicates that they are more common among lower skilled occupations, with both skills specific to the job role (technical, practical and job specific skills) and essential and basic skills (such as planning and organisation, oral communication, customer handling and problem solving skills) being cited as skills shortages. This indicates that there is a need not only to increase the level at which the no and low skilled are qualified but also to ensure that they achieve qualifications in skills which are relevant to the needs of employers. The direct results will therefore be focused around the number of the specific target group gaining qualifications at ISCED Levels 1 and 2 in essential and technical or job specific skills. These results will both increase the qualification levels of those with no or low skills and upgrade and update the skills of those already qualified to ISCED Levels 1 and 2, providing them with the skills and qualifications relevant to the needs of employers.

254. The longer term impact of these interventions on the overall skills levels of the workforce will be measured through programme evaluation, which will consider the impact of ESF interventions in the context of the range of external factors that influence these measures.

255. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. Findings from the 2012 ESF Leavers Survey have been utilised to support the identification of ambitious yet achievable targets which represent a real increase on the baselines and which reflect our aspirations within the design of the programmes on the achievement of qualifications by the target group.

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70 UKCES (2013), Employer Skills Survey 2013 – Wales report
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure-</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed, including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - male</td>
<td>Percentage</td>
<td>Employed, including self employed participants with no formal qualifications - male</td>
<td>38</td>
<td>2013</td>
<td>72</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - female</td>
<td>Percentage</td>
<td>Employed, including self employed participants with no formal qualifications - female</td>
<td>34</td>
<td>2013</td>
<td>72</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) gaining an essential skills or technical or job specific qualification at lower secondary (ISCED 2) level upon leaving - male</td>
<td>Percentage</td>
<td>Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) - male</td>
<td>38</td>
<td>2013</td>
<td>72</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) gaining an essential skills or technical or job specific qualification at lower secondary (ISCED 2) level upon leaving - female</td>
<td>Percentage</td>
<td>Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) - female</td>
<td>34</td>
<td>2013</td>
<td>72</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
Priority Axis 2 – Skills for Growth
Specific Objective 1

256. For operations within the Skills for Growth Priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.

257. 10% of operations within the Skills for Growth Priority will integrate sustainable development into awareness raising, education and training programmes.

258. For Operations within the Skills for Growth Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 2 – Skills for Growth
Specific Objective 1

Actions

259. In delivering to **Specific Objective 1**, actions under this Investment Priority will operate as part of a coordinated Priority Axis to ensure that the workforce in WWV is equipped with the skills needed to enable growth and increased productivity while also facilitating career progression and tackling in-work poverty. Actions will target employed and self employed individuals with low or no skills with a view to developing essential and work-relevant skills up to ISCED Level 2. Actions will prioritise the achievement of qualifications as the main output however individuals will also receive support to participate in training and to enter further learning where appropriate.

260. Actions will be coordinated as part of the overall Priority Axis to support demand led interventions to address key skills gaps in the labour market which can support economic growth and individual progression. Labour Market Intelligence (LMI), identified utilising business demand and economic research, will be key to supporting targeted interventions.

261. Essential and basic skills, as articulated by the Welsh Government’s Skills Implementation Plan[^71], remain a priority. This will be complemented by the development of demand led technical or job specific skills. Investments will focus on progression to ISCED Level 2 to maximise the potential return on skills investments and potential positive impacts on tackling in-work poverty.

262. Over 90% of new jobs require basic internet skills, with increasing numbers of employment and progression opportunities being advertised online, therefore action will be taken to develop skills to break down barriers to engagement with technologies.

263. Indicative actions which could be undertaken in support of **Specific Objective 1** and to the target groups identified above could include:

- Actions to provide basic and essential skills provision at ISCED Levels 1 (primary) and 2 (lower secondary education) for employed individuals with low skills (qualifications up to and including lower secondary education ISCED Level 2) or with no formal qualifications;
- Actions to provide technical or job specific vocational qualifications at ISCED Levels 1 (primary) and 2 (lower secondary) for employed individuals with low skills (qualifications up to and including lower secondary education ISCED Level 2) or with no formal qualifications;
- Provision of apprenticeships at ISCED Levels 1 and 2 for individuals in the target groups, and actions to encourage the availability and take up of apprenticeship places; and,

[^71]: Welsh Government (2014); Skills implementation plan – Delivering the policy statement on skills
http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en
Priority Axis 2 – Skills for Growth
Specific Objective 1

- Developing skills at ISCED Levels 1 and 2 to break down barriers to engagement with technologies, such as digital skills, reducing social isolation and increasing access to work progression opportunities online.

264. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

265. Beneficiaries of funding within this Investment Priority and under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); education providers; universities; and the private sector.
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed, including self-employed participants with no formal qualifications - male</td>
<td>Persons</td>
<td>14,029</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with no formal qualifications - female</td>
<td>Persons</td>
<td>12,771</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - male</td>
<td>Persons</td>
<td>23,870</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - female</td>
<td>Persons</td>
<td>21,730</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

266. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Age (under 25, over 54 years);
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.
Specific Objective 2: To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.

Results for the Specific Objective

267. The main focus of this Specific Objective, in line with the Country Specific Recommendations, will be to increase the number of people in the workforce in WWV with technical and job specific skills at an intermediate and higher level. It will target those qualified to ISCED Level 2 (lower secondary education) and above, progressing them to at least an ISCED Level 3 (upper secondary education) qualification, while also upgrading and updating the skills of those who are already qualified to ISCED Level 3 and above.

268. As set out in the Strategy, of the working age adults in employment in Wales, the most recent figures show that 21.7% have qualifications at NQF level 2, while 57.3% are qualified to NQF level 3 or above and 37.2% are qualified to NQF level 4 and above.

269. These measures do not provide direct measures of the relevancy and currency of the skills of the workforce, however evidence demonstrates a persistence of skills shortages at an intermediate level\(^72\), while around 69% of all skill-shortage vacancies are ascribed to a lack of technical, practical or job specific skills\(^73\). In 2013, 39% of employers in the UK who recruit staff with STEM skills and knowledge reported difficulties recruiting such skills\(^74\) while 72% of employers expect that at least some of their staff will need to acquire new skills or knowledge over the next twelve months. Common reasons for upskilling include new legislative or regulatory requirements, the introduction of new technologies or equipment, the introduction of new working practices and the development of new products and services.\(^75\)

270. The direct results will therefore be focused around the number of the specific target group gaining qualifications at ISCED Levels 3 and above in technical and job specific skills. These results will both increase the number of those qualified to ISCED Level 3 and above and update the skills of those already qualified to that level, ensuring that their qualifications and skillset are current and relevant to the needs of employers.

271. The longer term impact of these interventions on the overall skills levels of the workforce will be measured through programme evaluation, which will

\(^{72}\)UKCES, Wales Future Skills Assessment and UKCES (2013), Employer Skills Survey 2013 – Wales report
\(^{73}\)UKCES (2013), Employer Skills Survey 2013 – Wales report
\(^{74}\)Pearson/CBI Education and Skills Surveys of 2008 and 2013
\(^{75}\)UKCES (2013), Employer Skills Survey 2013 – Wales report
consider the impact of ESF interventions in the context of the range of external factors that influence these measures.

272. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. Targets have been set to reflect a genuine increase on the baselines, reflecting our aspirations within the design of the programme on the achievement of qualifications by the target group.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (ISCED 3) level or above - male</td>
<td>Percentage</td>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) - male</td>
<td>57</td>
<td>2013</td>
<td>60</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (ISCED 3) level or above - female</td>
<td>Percentage</td>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) - female</td>
<td>57</td>
<td>2013</td>
<td>60</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
### Priority Axis 2 – Skills for Growth
#### Specific Objective 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
<th>Year</th>
<th>Target</th>
<th>Reporting Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed, including self employed participants with upper secondary (ISCED 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (ISCED3) level upon leaving - male</td>
<td>44</td>
<td>2013</td>
<td>60</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with upper secondary (ISCED 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (ISCED3) level upon leaving - female</td>
<td>44</td>
<td>2013</td>
<td>60</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

273. For operations within the Skills for Growth Priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.

274. 10% of operations within the Skills for Growth Priority will integrate sustainable development into awareness raising, education and training programmes.

275. For Operations within the Skills for Growth Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 2 – Skills for Growth
Specific Objective 2

Actions

276. In delivering to Specific Objective 2, actions under this Investment Priority will support the development of intermediate and higher level technical and job specific skills at ISCED Level 3 and higher.

277. Actions will recognise that equipping employed individuals with the skills to drive economic growth involves both upskilling our workforce as well as updating and refreshing existing skills to ensure that they remain relevant and current. Therefore, actions will target both individuals qualified to ISCED Level 2, with a view to progressing them to ISCED Level 3 and above, and individuals already possessing qualifications at ISCED Levels 3 and above, ensuring that their skills remain current and that they meet the needs of employers.

278. In achieving this, actions will develop technical and job specific vocational skills at ISCED Level 3 or higher. Actions will prioritise the achievement of qualifications as the main output however individuals will also receive support to participate in training and to enter further learning where appropriate.

279. Actions will be coordinated as part of the overall Priority Axis to support demand led interventions to address key skills gaps in the labour market which can support economic growth and individual progression. Actions will be designed to meet the needs of employers, facilitating organisational growth and adaptability to economic and labour market challenges and supporting individuals to prosper and progress within the labour market.

280. Indicative actions which could be undertaken in support of Specific Objective 2 and to the target groups identified above could include:

- Provision of apprenticeships and higher level apprenticeships at ISCED Level 3 (upper secondary education) or above for individuals in the target groups, and actions to encourage the availability and take up of apprenticeship and higher level apprenticeship places;

- Actions to provide intermediate and higher level technical and job specific vocational qualifications at ISCED Level 3 (upper secondary) and above for employed individuals in the target groups in order to upskill the workforce and to address skills gaps, shortages and mismatches; and

- Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed at ISCED Level 3 (upper secondary education) and above to support organisational growth and adaptability to economic and labour market challenges, including High Performance Working.

281. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results
sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

282. Beneficiaries of funding within this Investment Priority and under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); education providers; universities; and the private sector.
## Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) - male</td>
<td>Persons</td>
<td>16,070</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with lower secondary education (ISCED 2) - female</td>
<td>Persons</td>
<td>14,630</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with upper secondary (ISCED 3) education or above - male</td>
<td>Persons</td>
<td>10,731</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self employed participants with upper secondary (ISCED 3) education or above - female</td>
<td>Persons</td>
<td>9,769</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

283. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Age (under 25, over 54 years);
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.
Specific Objective 3: To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise.

Results for the Specific Objective

284. The main focus of this Specific Objective will be to increase the number of individuals with higher level skills in research and innovation (R&I) to support a wider Welsh ambition to increase R&I activity within business. Interventions will focus on the Grand Challenge areas as articulated in Science for Wales: A strategic agenda for science and innovation in Wales, and facilitate the commercialisation of research. Action will be targeted at those with a graduate degree or equivalent as a minimum.

285. Innovation depends on people who are able to generate and apply knowledge and ideas in the workplace; the OECD recommends a focus on enabling the acquisition of innovation skills and the optimal use of these skills at work. However, figures from 2012 show that, of the four constituent nations of the UK, Wales had the lowest percentage of working age adults qualified to NQF Level 7-8 (8.1% for England, 8.2% for Scotland, 7.4% for Wales and 7.5% for Northern Ireland). The percentage rate for Wales, at 7.4%, is also below the UK average of 8.1%. Additionally, the UK Innovation Survey reported that only 15% of innovation-active businesses cooperate with universities in the UK. While this figure is not specific to WWV, it indicates significant scope for greater interaction between business and higher education institutions.

286. The direct results will therefore be focused around increasing the supply of individuals undertaking R&I activities at ISCED Levels 7-8 in collaboration with and driven by the needs of the private sector and focused on the Grand Challenge areas. This will be achieved through measuring the number of enterprises collaborating with learning providers in research and innovation activities and the number of individuals gaining a qualification upon leaving (at ISCED 7 or 8).

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76 As articulated in Welsh Government (2014); Innovation Wales – the Innovation Strategy for Wales
77 The Grand Challenge areas of “Life Sciences and Health”; “Advanced Engineering and Materials”; “Low Carbon, Energy and Environment”; and” ICT and the Digital Economy” set a focus for innovative research activities in Wales build on existing strengths and provide clear routes from research through to commercialisation.
78 The Organisation for Economic Co-operation and Development OECD (2011); Skills for Innovation and Research
79 UKCES (November 2012); UK Skill levels and international competitiveness Evidence Report 70
80 UK Innovation Survey 2011 (2012), BIS
287. It may also be possible through evaluation to consider, in a way that takes account of the range of external factors that influence these measures, the longer term impact of these ESF interventions on wider measures of research and innovation activity within business and collaboration between enterprise and universities.

288. Baselines and targets for participants gaining qualifications at ISCED 7 and 8 have been based on broadly comparable activity supported through previous ESF provision. However, in keeping with the aspirations of our programme, the scope of this activity is much tighter than in previous programmes therefore it is considered that maintaining the baseline represents a rigorous and challenging target. The result indicator on participants in employment upon leaving represents a new measure for ESF. Baselines and target values have been set based on the Higher Education Statistics Agency’s figures on the destinations of leavers from higher education, postgraduate level courses.
## Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure-ment unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (ISCED 7) or Doctoral (ISCED 8) level - male</td>
<td>Percentage</td>
<td>Participants with a graduate degree or equivalent - male</td>
<td>63</td>
<td>2013</td>
<td>63</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (ISCED 7) or Doctoral (ISCED 8) level - female</td>
<td>Percentage</td>
<td>Participants with a graduate degree or equivalent - female</td>
<td>63</td>
<td>2013</td>
<td>63</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants with graduate degree or equivalent in employment upon leaving - male</td>
<td>Percentage</td>
<td>Participants with a graduate degree or equivalent - male</td>
<td>48</td>
<td>2013</td>
<td>52</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants with graduate degree or equivalent in employment upon leaving - female</td>
<td>Percentage</td>
<td>Participants with a graduate degree or equivalent - female</td>
<td>48</td>
<td>2013</td>
<td>52</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

289. For operations within the Skills for Growth Priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.

290. 10% of operations within the Skills for Growth Priority will integrate sustainable development into awareness raising, education and training programmes.

291. For Operations within the Skills for Growth Priority 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
Priority Axis 2 – Skills for Growth  
Specific Objective 3

Actions

292. In delivering to Specific Objective 3, actions under this Investment Priority will target individuals who possess a graduate degree or equivalent as a minimum. These may be employed, unemployed or in full time education at point of enrolment to ESF. Actions will work through academia and the private sector in the development of the higher skills at ISCED Levels 7 and 8 needed to drive encourage and support research and innovation to support wider Welsh ambitions to increase research and innovation.

293. Actions will act as part of a coordinated approach within the Priority Axis to embed research and innovation in enterprise through delivering demand led investments which align higher level skills with clear economic, commercial and business benefits. All actions will be aligned with the Grand Challenge areas set out Science for Wales: A strategic agenda for science and innovation in Wales of:

- Life Sciences and Health;
- Advanced Engineering and Materials;
- Low Carbon, Energy and Environment; and
- The underpinning area of ICT and the Digital Economy.

294. By focusing on demand led investments which respond to LMI, the actions will align investments in the human capital (the skilled workforce) with the needs and priorities of businesses. By doing this, they aim to stimulate an increase in the volume and quality of R&I activity, supporting the greater commercialisation of research and increasing the percentage investment in R&I activities. In this way, actions will complement and add value to actions supported by other EU funded programmes, notably the ERDF and Horizon 2020 programmes.

295. Indicative actions which could be undertaken in support of Specific Objective 3 and to the target groups identified above could include:

- Actions to deliver research and innovation qualifications at ISCED Levels 7 (Master's) and 8 (Doctoral) undertaken in partnership between learning providers and enterprise and aligned to the Grand Challenge areas of “Life Sciences and Health”; “Advanced Engineering and Materials”; “Low Carbon, Energy and Environment”; and “ICT and the Digital Economy”;
- Actions driven by the private sector in collaboration with learning providers to increase the supply of individuals with higher skills in research and innovation.

296. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the

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81 Wales Employment and Skills Board (2011); Skills for Jobs: Priorities
specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

297. Beneficiaries of funding within this Investment Priority and under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations including the Third Sector); education providers; universities; and the private sector.
Output indicators.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants with a graduate degree or equivalent – male</td>
<td>Persons</td>
<td>780</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants with a graduate degree or equivalent – female</td>
<td>Persons</td>
<td>720</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Number of enterprises collaborating with learning providers in Research and Innovation activities</td>
<td>Enterprises</td>
<td>750</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

298. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Age (under 25, over 54 years);
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.
The guiding principles for the selection of operations

299. The following common principles will guide future selection of operations:

- An unequivocal focus on supporting sustainable jobs, employment and growth and operations which facilitate the role of the third sector and private sector;
- Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross cutting themes;
- Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes.
- Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;
- Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;
- Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and
- Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.

300. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- clear identification of the **specific target groups**, their needs and how actions will address these needs at a national, regional or local level as appropriate;
- **growth sectors** (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and
- areas of specific **geographical opportunity** (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).
Additional principles relevant to the specific Investment Priority

301. Investment in skills and qualifications should look to achieve, or to enable individuals to progress where possible to intermediate level or above on the National Qualification Framework (NQF), outlining clear progression routes for those with no / low skills.

302. Actions should be demand led, flexible and responsive to labour market fluctuations; utilising and responding to Labour Market Intelligence to identify skills needs which will underpin economic growth and investment.

303. Operation design should take into consideration the need to stimulate employer demand for skills and incentivise appropriate employer or participant contributions, especially for higher level skills, to help develop a stronger culture of cost sharing within operations.

304. Actions will be consistent with the Welsh Government’s Skills Strategies, Welsh Government Policy Statement on Skills and Skills Implementation Plan, in line with the Welsh Government’s Tackling Poverty Action Plan, skills interventions will be aligned with broader initiatives targeting poverty, specifically in-work poverty.

305. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.

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Specific Objective 4: To improve the position of women in the workforce.

Results for the Specific Objective

306. The main focus of this Specific Objective is to improve the position of women in the workplace. It will specifically target employed women, complementing interventions being taken forward under Priority Axis 1 to increase the employability of those women who are closest to the labour market and trapped in cycles of no pay / low pay and those women who are economically inactive or long term unemployed and who face complex barriers to employment.

307. The Specific Objective, recognising the range of factors influencing the position of women in the workforce, as outlined in the Strategy, will also target employers to raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.

308. While there are some high level measures of women’s position in the workforce (such as the gender pay gap, the representation of women in senior positions and the percentage of women who work part time) these measures are directly influenced by a wide range of external factors. ESF interventions taken in isolation cannot result in any significant changes to these measures.

309. Therefore, the direct results for this Specific Objective will focus on the number of the target group gaining a qualification upon leaving and upon the number of participants who have an improved position in the labour market (such as progression to more senior position, an increase in their pay or working hours or a move to more flexible working patterns) upon leaving. The number of enterprises adopting equality and diversity strategies as a result of ESF interventions will also be measured.

310. It may also be possible through evaluation to consider the longer term impact of these interventions on wider socio-economic measures relating to women’s position in the workforce in a way that takes account of the range of external factors that influence these measures.

311. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. The target for participants gaining a qualification upon leaving has been set to maintain the high level of achievement against this measure in current ESF provision while the target for supported enterprises adopting equality and diversity strategies represents our ambition to build upon current achievement and to increase upon the baseline. The target for participants with an improved labour market situation upon leaving represents an ambition to achieve a true increase on the baseline while being set at a realistic level that recognises that it is measured at the point when a participant leaves an intervention.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Base-line value</th>
<th>Base-line year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants gaining a qualification upon leaving (100% female)</td>
<td>Percentage</td>
<td>Employed including self employed participants</td>
<td>75</td>
<td>2013</td>
<td>75</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems</td>
<td>Percentage</td>
<td>Enterprises Supported</td>
<td>45</td>
<td>2013</td>
<td>50</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed participants with an improved labour market situation upon leaving (100% female)</td>
<td>Percentage</td>
<td>Employed, including self-employed participants</td>
<td>14</td>
<td>2013</td>
<td>40</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

312. For operations within the Skills for Growth Priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.

313. 10% of operations within the Skills for Growth Priority will integrate sustainable development into awareness raising, education and training programmes.
Priority Axis 2 – Skills for Growth
Specific Objective 4

Actions

314. In delivering to **Specific Objective 4**, actions within this Investment Priority will primarily target employed females with some complementary organisational and enterprise based actions also. In raising issues of equality and diversity within the workforce indirect benefits may be accrued to employed males also, although they will not be the target group.

315. Focus will be placed on actions and skills provision to improve the position of women in the workforce, supporting their progression to more senior positions, enabling an increase in their working hours or allowing them to benefit from more flexible working practices, as well as enhancing their job security and enabling them to access a wider range of employment options. Actions will also raise the awareness of employers of gender disadvantage in the workforce.

316. Actions will operate as part of a coordinated Priority Axis to increase the skills levels of women in the workforce and to raise the awareness of employers of issues around gender disadvantage in the workforce. Action will prioritise qualifications at all levels for participants however individuals will also be supported to access training and enter into further learning if relevant. Additionally, in support of the overall Cross Cutting Themes objectives, a greater number of employers will have equality and diversity policies in place.

317. Action will be taken to reduce the current under-representation of women at senior levels by supporting their progression within the workplace, through raising their skills levels and equipping them with an increased capability to achieve their full potential and develop their career. Actions will build on the progress made through the 2007-2013 programmes and across Wales to address and promote gender equality in the workplace.

318. The Equality Impact Assessment supports the view that actions to raise awareness among employers of gender disadvantage in the workforce and to support the development of equality and diversity policies will enable employers to address issues that cause gender disadvantage. It will support efforts to tackle Gender stereotyping, and thereby enabling an increased participation of both men and women in non-traditional work areas.

319. Additionally, actions that support the delivery of flexible and practical working solutions to women will support their increased effectiveness and sustainability within the workplace and support them to achieve their full potential. The adoption of flexible working practices is likely to be of significant benefit to women, who may be subject to inequality of opportunity or even discrimination regarding pregnancy and maternity rights, or the need to provide childcare.

320. There is also potential for actions supported under this Specific Objective to deliver some indirect benefits to men through the positive action on addressing gender stereotyping, thereby facilitating increased participation of both men and women in non-traditional work areas.
321. Indicative actions which could be undertaken in support of Specific Objective 4 and to the target groups identified above could include:

- Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement;

- Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace; and

- Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.

322. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

323. Beneficiaries of funding within this Investment Priority and under the Specific Objective above are expected to be the public sector (local authorities; the Welsh Government); NGO’s (non governmental organisations to include the Third Sector); and the private sector.
Priority Axis 2 – Skills for Growth
Specific Objective 4

Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)</td>
<td>Enterprises</td>
<td>800</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed, including self-employed (100% female)</td>
<td>Persons</td>
<td>4,400</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

324. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Age (under 25, over 54 years);
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.

325. For SO4 it is anticipated, at a programme level, that of the total Employed, including self employed participants target; 32% will be above 54 years of age; 3% will have a work limiting health condition or disability and 29% will work part time.
The guiding principles for the selection of operations

326. The following common principles will guide future selection of operations:

- An unequivocal focus on supporting sustainable jobs, employment and growth and operations which facilitate the role of the third sector and private sector;
- Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross cutting themes;
- Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes.
- Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;
- Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;
- Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and
- Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.

327. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- clear identification of the specific target groups, their needs and how actions will address these needs at a national, regional or local level as appropriate;
- growth sectors (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and
- areas of specific geographical opportunity (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).
Additional principles relevant to the specific Investment Priority

328. Investments in skills should look to achieve or progress individuals, where possible, to intermediate level on the National Qualification Framework (NQF) or above, outlining clear progression routes for those with no / low skills.

329. Actions should be demand led, flexible and responsive to labour market fluctuations; utilising and responding to LMI to identify skills needs which will underpin economic growth and investment.

330. Actions will have strong linkages with the wider cross cutting theme of Equality and actions in other Priority Axes and Investment Priorities to tackle gender stereotyping and facilitate an increased participation of both men and women in non traditional work areas.

331. Actions will be consistent with the Welsh Government’s Skills Strategies, Welsh Government Policy Statement on Skills and Skills Implementation Plan83, the Strategic Equality Plan and, in line with the Welsh Government’s Tackling Poverty Action Plan, skills interventions will be aligned with broader initiatives targeting poverty, specifically in-work poverty.

332. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.

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Promotion of Social Innovation (SI) within the Priority Axis

333. All operations will be encouraged to consider the opportunities Social Innovation (SI) provides in piloting or developing innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI activities to explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place.

334. Potential areas for SI actions across the programme might include:

- targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;
- trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and
- support to trial and develop sustainable exit strategies through testing of new delivery models.

335. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.

336. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.

337. Specific actions within this Priority Axis might include but are not limited to:

- Innovative approaches to support the targeting of specific underrepresented target groups.

338. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG’s) within EMFF). LEADER groups or FLAG’s, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in the section on the integrated approach to territorial development of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.
Priority Axis 2 – Skills for Growth
Specific Objectives 1-4

Specific Provision for Transnational Cooperation

339. Transnational cooperation actions will be targeted towards addressing specific needs within WWV while maximising the added value that can be delivered by transnational cooperation.

340. Actions will involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.

341. Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to WWV and working to common goals. Actions should support transnational partnership working to share good practice and to develop and pilot innovative solutions, to develop and share high level skills and expertise and to develop and share skills and expertise that will support a modern knowledge-based economy and a modern, adaptable and agile labour market.

342. Specific actions within this Priority Axis might include but are not limited to:

- Actions to develop and share expertise in research and innovation, including facilitating the commercialisation of research supported by other EU transnational funds such as Horizon 2020.
- Actions to support partnership working to develop common and innovative approaches to strengthening the capacity for innovation, modernisation and adaption to new socio-economic challenges within the labour market, including addressing demographic issues such as an ageing workforce.

Contribution to other ESI Funds Investments

343. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under Thematic Objectives (TO) 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TO 1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals involved in farming, fishing and aquaculture will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and will support the integrated approach to implementation outlined in the section on the integrated approach to territorial development.

344. ESF investments in this Priority Axis to up-skill the workforce, to address specific skills gaps and support the development of technical and higher level skills will:

- complement and add value to ERDF, EAFRD and EMFF investments under TO3 to increase SME productivity and competitiveness, including through supporting SMEs to grow and to increase productivity through diversification into new markets;
Priority Axis 2 – Skills for Growth
Specific Objectives 1-4

- help realise the potential of ERDF, EAFRD and EMFF supported investments in ICT and innovative and emergent technologies (including low carbon) under TO 1, 2 and 4 that aim to support business adaptation, growth and competitiveness and to increase the capacity and capability of Welsh businesses to win business in the development and installation of these technologies; and

- complement and underpin EAFRD and EMFF actions under TO 2, 3 and 4 to support rural and coastal (including fisheries and aquaculture) businesses to adopt new technology and increase efficiencies and to develop local supply chains that link into economic growth opportunities. There is also potential for skills interventions to complement land based measures being supported by the EAFRD programme under TO 5 and 6.

345. ESF investments in this Priority Axis to increase the supply of individuals with the specialised skills will:

- support the ERDF programme’s objectives (under TO 1) of increasing the amount of competitive and private finance coming into Welsh research institutions, increasing the levels of innovation in Welsh business and of commercialising the research and innovation interventions;

- complement EMFF actions to increase R&I capability and exploitation of that capability for low-carbon technologies, products and services; and

- complement actions being considered by the EAFRD programme to support LEADER Local Actions Groups to engage in the pre-commercial development and piloting of new processes and products.

Coordination between the Funds, the EAFRD, the EMFF and other Union and National Funding Instruments, and with the EIB.

346. The approach to the delivery and coordination of the ESI funds in Wales is set out in the Welsh Chapter of the UK Partnership Agreement, with all funds being delivered together and overseen by a single Programme Monitoring Committee (PMC). A coordination group comprising representatives from the Managing Authorities for each of the Funds will be established to promote coordination across the Funds, identifying the most appropriate source of funding and building portfolios of operations in areas of common interest and ensuring no duplication of funding.

347. A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be used to drive synergy between ESI Funds and wider investments in the Welsh economy. The EPF aims to capture the wider investments which are of relevance to the ESI funds. Using this Framework, all ESI funds will be expected to add value to those wider investments, avoiding duplication and building on existing assets.

348. ESF investments in human capital will complement and combine with investments made by the wider ESI funds in order to facilitate the realisation of the overall aims and objectives of the ESI Funds in Wales. A
strict approach to demarcation has been avoided for 2014-2020 to facilitate the joint development of schemes and operations. Therefore, where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals involved in farming and fishing will be able to access ESF support.

349. Specific information on the complementarity between specific ESF Priority Axes and other ESI Funds is given below, while the contribution of the ESF programme to Thematic Objectives 1-7, is detailed in each ESF Priority Axis. The approach to coordination and integration with ERDF and EAFRD is outlined in the section on the integrated approach to territorial development, which highlights the use of existing planning and coordination mechanisms to prioritise investments and to identify and integrate the most appropriate ESI funding package.

350. In all cases complementary between investments will be sought and the potential for use of flexibilities or joint funding will be explored on a case by case basis. This will be achieved through the operation selection criteria by which every operation will be required, amongst a number of other criteria, to demonstrate:

- how they have considered the other relevant funding sources;
- to articulate how they are linking into or establishing complementarity with these funds and the investments which they are supporting; and
- to evidence how their proposal links into and adds value to wider investment programmes.

351. There will be opportunities for complementarity with actions being supported by the ESF programme in East Wales (EW). Common Priority Axes of “Tackling Poverty through Employment”, “Skills for Growth” and “Youth Employment” have been designed across both programmes, utilising the same Thematic Objectives and Investment Priorities. Both Programmes will be managed by WEFO as Managing Authority, with the same teams managing the equivalent Priority Axes across both programmes, overseen by an ESF portfolio management group.

352. Where the aims of the Programmes and Specific Objectives of the Priority Axes complement each other, WEFO will facilitate the establishment of both complementary operations and complementarity between operations. The approach will vary by Priority Axis dependant on the strength of the complementarity. It will also vary by operation, reflecting the proportionality principle.

353. ESF investments to up-skill the workforce, address specific skills gaps and to increase the supply of individuals with technical, specialised and higher level skills will work alongside rural specific skills training provided via the EAFRD. These investments will support the ability of SMEs benefitting from ERDF, EAFRD and EMFF funding (including those enterprises in rural and coastal communities where additionality to EARDF and EMFF provision can be demonstrated) to diversify into new markets and to increase their productivity and competitiveness, while also supporting the
development of local supply chains. Opportunities to support skills development that underpins ERDF, EAFRD and EMFF investments in renewable energy and energy efficiency, low carbon technologies and ICT and innovative and emergent technologies will also be actively sought under this Priority Axis.

354. ESF investments also have the scope to increase the supply of individuals with the specialised skills to support capacity building in research institutions and to increase innovation in Welsh business. Very close coordination will therefore be sought between the ESF investments in research and innovation skills and research and innovation activities supported under the ERDF, EAFRD and EMFF, with the potential for complementary funding actively explored.

355. Actions will foster the skills required to enable Welsh enterprises to engage in innovation in product and ICT development that contributes to the aims of the European Innovation Partnership on Active and Healthy Ageing to foster innovation in products, processes and services contributing to Active and Healthy Ageing.

356. Actions will complement and add value to actions supported by Horizon 2020 by developing the higher skills needed to drive, encourage and support research and innovation and to support the greater commercialisation of research. The co-location of a Horizon 2020 Unit with the Managing Authority for ESF, coupled with use of expert advice to inform the selection of operations, will help ensure coordination between these funds. The selection and assessment process and monitoring of operations within WEFO will ensure these opportunities are maximised throughout the development and implementation of operations.

357. The EU's Lifelong Learning Programme and specifically the Leonardo da Vinci and Grundtvig elements will potentially complement activity within the ESF programmes. The Managing Authority will work closely with the UK National Agencies for these programmes (the UK National Agency - Leonardo, Grundtvig & Transversal Programmes – Ecorys) as well as the policy department coordinating information in Wales (the Department for Education and Skills) to stimulate links and complementarities. An assessment of how any proposed operation fits within this context will feature as part of the selection and assessment process. Expert advice will be sought where required.
Priority Axis 3: Youth Employment and Attainment

Introduction

358. The Priority Axis has been developed in line with the aims and objectives of the ESF Programme in WWV and in particular:

Aim;
To invest in our young people to create a vibrant and responsive future workforce with the skills needed to respond to the needs of a challenging knowledge based economy.

Objectives;
To increase youth employment and educational attainment, thereby reducing poverty and disadvantage in our young people; and
To reduce inequalities in the labour market amongst women and recognised equality groups

359. The recent economic downturn has significantly impacted youth employment as shown in the socio-economic analysis. Supporting our young people through education into employment requires a seamless approach with particular attention to key transition points.

360. The Priority Axis has been developed around a thematic framework to promote both increased youth employment and attainment, including the early years, thereby aligning to the Country Specific Recommendations. This Priority Axis approach and the associated Thematic Objectives selected (9)(8) - promoting sustainable and quality employment and supporting labour mobility and (9)(10) - Investing in education, training and vocational training for skills and life-long learning will significantly increase the impact of interventions in supporting our young people to progress through education into sustainable employment, increasing the potential long term legacy of investments.

361. The Priority Axis will align closely with the Welsh Government Youth Engagement and Progression Framework\(^\text{84}\), supporting the identification, tracking and mapping of services and outcomes for young people from education into employment. This alignment will ensure a consistent approach in supporting our young people and that ESF investment adds value to an integrated approach to achieving the programme’s aim.

362. In line with the approach above the definition of ‘young people’ has been extended to 0-24 years of age (previously 11-19), ensuring ESF investments support individuals as they move through mainstream education into sustainable employment, reducing the risk of becoming Not

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\(^{84}\) Welsh Government (2013); http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en
in Education Employment or Training (NEET) and ensuring interventions begin early and tackle key transition points.

363. A key challenge will be the effective use of interventions to respond to labour market demands, to identify and exploit growth opportunities and continue to enhance the competitiveness of WWV. Evidence shows that the fastest growing occupational groups require skills at NQF Levels 3, 4 and above; the fastest declining occupations cluster around NQF Level 2 and below.\textsuperscript{85} STEM skills are seen as vital to areas of future growth and employment.\textsuperscript{86,87} In 2013, 39\% of UK employers who recruit staff with STEM skills reported difficulties recruiting such skills.\textsuperscript{88}

364. The alignment of interventions within this Priority Axis approach will ensure that the skills and career aspirations of our young people are consistent with employer demand, emerging growth opportunities and the long term needs of the economy.

\textsuperscript{85} UKCES (2011); Skills for Jobs: The National Skills Audit for Wales 2011
\textsuperscript{86} Wales Employment and Skills Board (2011); Skills for Jobs: Priorities July 2011
\textsuperscript{87} Advanced Materials and Manufacturing (AM&M) Summary Advice from the Sector Panel
\textsuperscript{88} Pearson/CBI Education and Skills Surveys of 2008 and 2013
Specific Objective 1: To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET).

Results for the Specific Objective

365. The aim of this Specific Objective, as part of the integrated approach within the priority to address issues of NEET and Youth Unemployment, is to reduce the number of 16-24 years olds who are NEET. This will include those who are unemployed or economically inactive.

366. In line with the Country Specific Recommendations, the impact of investments within this Specific objective, taking into account in-flow and outflow rates, will be to reduce youth unemployment rates in WWV. It will also reduce the number of 16-24 year olds who are NEET.

367. Direct results of the ESF investments will be centred on measuring the number of those who are classified as NEET 16-24 who move into either Education or Employment as a result of ESF support. Additional result indicators will also measure the number of NEET 16-24 who achieve a qualification as a pathway to sustainable employment, also reflecting the Country Specific Recommendations to reduce the number of young people with low basic skills.

368. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets have been set to reflect the overarching ambition to help those who are NEET to access employment building on significant success in the current programme. Other targets reflect baselines as these are deemed to be appropriate whilst not detracting from the need for employment outcomes.
### Priority Axis 3 – Youth Employment and Attainment
Specific Objective 1

#### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEET Participants (16 - 24 years of age) gaining qualifications upon leaving</td>
<td>Percentage</td>
<td>NEET Participants (16 - 24 years of age)</td>
<td>18</td>
<td>2013</td>
<td>20</td>
<td>Quarterly</td>
</tr>
<tr>
<td>NEET Participants (16 - 24 years of age) in education/training upon leaving</td>
<td>Percentage</td>
<td>NEET Participants (16 - 24 years of age)</td>
<td>17</td>
<td>2013</td>
<td>17</td>
<td>Quarterly</td>
</tr>
<tr>
<td>NEET Participants (16 - 24 years of age) entering employment upon leaving</td>
<td>Percentage</td>
<td>NEET Participants (16 - 24 years of age)</td>
<td>25</td>
<td>2013</td>
<td>28</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

369. 10% of operations within the Youth Employment Priority will integrate sustainable development into awareness raising, education and training programmes.
Priority Axis 3 – Youth Employment and Attainment

Specific Objective 1

Actions

370. In delivering to Specific Objective 1, actions under this Investment Priority will target young people of working age (from 16 up to and including age 24) who are classified as NEET including unemployed or economically inactive.

371. Set within a ‘Youth Employment’ theme, actions will operate as part of a coordinated Priority Axis which delivers to the longer term needs of our young people, providing a range of interventions to support and facilitate access to sustained employment both for those who are ready for work and for those who may require additional skills and work focused interventions.

372. Action will prioritise employment outcomes for participants however individuals will also receive support to access further learning, gain qualifications and participate in training as part of supporting access and progression to sustainable employment. For those young people within this target group who may have experienced prolonged periods of worklessness, Interventions may for a short period and where appropriate, provide appropriate measures, such as mentoring, to ensure the sustainability of employment outcomes.

373. ESF investments through this Investment Priority will align with the Welsh Government Youth Engagement and Progression Framework to ensure that investments add value to existing mapped provision and are delivered as part of a coordinated response to addressing the challenges faced by young people in accessing Sustainable Employment. Actions will also help deliver and add value to the Welsh Government Youth Guarantee, enhancing support mechanisms to access a good-quality job traineeship, or continued education for those beyond the first time transition from compulsory education.

374. On-going changes in the UK Government Welfare system will bring challenges to the implementation of the youth employment agenda within this priority. Interventions will need to complement and add value to mainstream delivery whilst avoiding duplication. This will require a certain amount of flexibility to adapt to the changing environment. The principles of specific eligibility around mainstream UK Government programmes will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.

375. Indicative actions which could be undertaken in support of Specific Objective 1 and to the target groups identified above could include:

- Actions to ensure that young people gain the skills, competencies and experience required to access sustainable employment, including self-employment;
- Actions to support young people to return to education or training to further develop the skills for future employment;
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 1

- Actions to support young people to access and maintain sustained employment; and
- Activities with enterprises and educators to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.

376. The planned actions described above provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

377. Beneficiaries of funding are expected to be the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations including the Third Sector); education providers; universities; and the private sector.
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEET Participants (16 - 24 years of age)</td>
<td>Persons</td>
<td>42,700</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

378. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.

379. For SO1 it is anticipated, at a programme level, that of the total NEET participants (16-24, male and female) target; 24% will have a disability.
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 1

The guiding principles for the selection of operations

380. The following common principles will guide future selection of operations:

- An unequivocal focus on supporting sustainable jobs, employment and growth and operations which facilitate the role of the third sector and private sector;
- Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross-cutting themes;
- Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes.
- Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;
- Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;
- Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and
- Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.

381. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- clear identification of the specific target groups, their needs and how actions will address these needs at a national, regional or local level as appropriate;
- growth sectors (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and
- areas of specific geographical opportunity (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).
Additional principles relevant to the specific Investment Priority

382. Actions must be designed to align with the principles of ensuring that employers have a suitably qualified workforce for the future, that skills development and attainment levels are aligned with growth activity and that young people are engaged in appropriate education and training to meet employment growth areas and employer demand. LMI will form a key part in supporting investments to align interventions with the needs of employers now and in the future.

383. Interventions will integrate with actions within Specific Objective 2 of this priority axis to support progression at key transition points and will work with wider initiatives aimed at addressing the needs of our young people.

384. Actions must align to the Welsh Government’s Youth Engagement and Progression Framework and associated Implementation Plan.89

385. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.

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Priority Axis 3 – Youth Employment and Attainment
Specific Objective 2

Specific Objective 2: To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds.

Results for the Specific Objective

386. This Specific Objective aims to reduce the risk of becoming NEET amongst 11-24 year olds with a specific focus on those at highest risk. The investments will compliment actions across the priority targeting NEET and Youth Unemployment by taking early action amongst those who are in education to reduce the risk of them dropping out of education or not entering employment following education.

387. Alignment of investments within this priority to the Welsh Government Youth Engagement and Progression Framework and its core standards on early identification of those at risk of NEET will ensure a consistent approach to the identification and tracking of individuals within this cohort.

388. The Early identification approach focuses as a core, on attendance, behaviour and attainment indicators in defining risk of NEET although other local indicators may be added. The primary result of interventions within this Specific Objective therefore will be a reduced risk of NEET as measured by the tracking systems within the framework.

389. Additional measures of reduced risk will include measuring the number of qualifications gained and, reflecting the importance of targeting key transition points in the reduction of risk of NEET, measuring progression into further education or training.

390. Alignment with the Youth Engagement and Progression Framework will also ensure that actions within this Specific Objective will help address in the longer term the structural and persistent issues of non-engagement which are present through all economic conditions.

391. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. For the reduced risk of NEET measure, it has not been possible to set a baseline as the Framework is a new approach which, in part, is responding to lessons learnt through ESF and other activity on the need for early and consistent identification mechanisms. For this same reason, it is not currently possible to set a target value for this indicator. An Action Plan has therefore been set to establish this target value by the end of December 2016.

392. For the other measures, the targets reflect baselines which have a wider previous definition of Risk of NEET and therefore remain challenging for this more defined cohort.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants at risk of becoming NEET (11-24) gaining qualifications upon leaving</td>
<td>Percentage</td>
<td>Participants at risk of becoming NEET (11-24)</td>
<td>7</td>
<td>2013</td>
<td>7</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants at risk of becoming NEET (11-24) in education or training upon leaving</td>
<td>Percentage</td>
<td>Participants at risk of becoming NEET (11-24)</td>
<td>19</td>
<td>2013</td>
<td>19</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving</td>
<td>Percentage</td>
<td>Participants at risk of becoming NEET (11-24)</td>
<td>0</td>
<td>2013</td>
<td>Target to be determined</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

393. 10% of operations within the Youth Employment Priority will integrate sustainable development into awareness raising, education and training programmes.
**Priority Axis 3 – Youth Employment and Attainment**

**Specific Objective 2**

**Actions**

394. Set within a ‘Youth Attainment and Engagement’ theme, actions will be delivered through two distinct Specific Objectives which operate as part of a coordinated Priority Axis to delivers to the longer term needs of our young people.

395. In delivering to the **Specific Objective 2**, actions within this Investment Priority will target young people between the ages of 11-24, at highest risk of becoming NEET, supporting transitions from primary education through secondary education and into employment, providing a range of interventions which will complement and add value, but do not duplicate, mainstream services. Interventions will focus on those most at risk of disengagement or of becoming NEET, as identified through the identification and tracking system outlined in the Welsh Government Youth Engagement and Progression Framework.

396. Due to the nature of the NEET cohort actions will naturally focus on, but will not be limited to, young people from specific groups including young offenders, young people from Black and Minority Ethnic (BME) backgrounds, teenage mothers and young people with disabilities or with special educational needs or care leavers who might face additional barriers to engagement or attainment.

397. Action will prioritise qualification and further learning outcomes for participants however utilising the identification and tracking system within the Youth Engagement and Progression Framework, results associated with a reduction of risk of NEET will also be achieved.

398. In line with Welsh Government policy, actions are designed to address at an earlier age, the underlying issues which affect young people’s attainment and employability, including poor aspirations and attainment fall-off at key transition points. Increasing competition in the labour market puts a sharper focus on the importance of supporting early attainment and engagement.90

399. Early intervention to reduce risk of NEET can have significant long term impacts also. The Youth Engagement and Progression Framework notes that failure to engage young people increases the costs associated with health and social services and contributes to the challenges associated with long-term unemployment. The Wales Audit Office estimates the lifetime cost of the current numbers of young people 16-18 who are NEET is £626 million in public finance costs and £1.21 billion in resource costs.91

400. In support of the Cross Cutting Themes, actions will also address a clear attainment gap at 15 between males and females (82% and 89%)

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90 UKCES (2011); The Youth Enquiry: Employer Perspectives on Tackling Youth Unemployment
91 Wales Audit Office (2014); Young people not in education, employment or training
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 2

respectively). Actions will positively reinforce choices and help to break down traditional gender stereotypes in employment and learning and broaden horizons for non traditional job roles or employment sectors.

401. Indicative actions which could be undertaken in support of Specific Objective 2 and to the target groups identified above could include:

- Early targeted action to combat disaffection, provide access to a broader and innovative range of learning options supporting the acquisition of both vocational and higher level skills and prevent young people from falling out of education;

- Actions to equip young people with a range of skills that allow them to be more flexible and adaptable in a fast changing labour market and to gain sustainable employment, encouraging linkages between career choices and longer term labour market trends and tackling traditional gender stereotypes in employment;

- Supporting the development of practitioners in order to better engage with disadvantaged young people and to improve linkages with, and knowledge of, the private sector; and

- Removing barriers to learning, helping create independence, and providing individual mentoring and advocacy advice to young people.

402. The planned actions described above within each theme provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

403. Beneficiaries of funding are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations); education providers; universities and the private sector.

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92 Welsh Government Statistical Release (Dec 2010); Educational Attainment of Young People by Age 19, 2008/09
Operational Programme for the European Social Fund for West Wales and the Valleys
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants at Risk of becoming NEET (11-24)</td>
<td>Persons</td>
<td>49,700</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

404. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.

405. For SO2 it is anticipated, at a programme level, that of the total at risk of becoming NEET participants (11-24, male and female) target; 10% will have a disability.
Specific Objective 3: To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds.

Results for the Specific Objective

406. The main focus of this Specific Objective is to increase the take up of and attainment levels in STEM subjects among 11-19 year olds in WWV. It will target pupils in secondary education, with particular attention given to sustained interventions to increase participation rates in STEM subjects post 16 and to increase the participation of girls in STEM subjects.

407. As outlined in the Strategy, Welsh GCSE entries for STEM subjects have declined by 12% over recent years, with a corresponding decrease in attainment levels during the period 2008-2013.

408. There is also a sharp decrease in participation levels in STEM subjects post 16, especially among girls, with Welsh figures lower than the rest of the UK. With the exception of ICT, the proportion of A level students taking STEM subjects has declined over the period 2001-2013. In 2013, 17% of male A level students were taking science, while the equivalent figure for girls was 10.7%. For ICT and CDT subjects, the figures are 10% for boys and 5% for girls. A level biology and physics grades achieved by Welsh students are also lower than English students.

409. The direct results will therefore be focused around the number of the target group completing training in STEM subjects and the number of those in the target group who continue to study a STEM subject post 16. The longer term impact of these interventions on wider measures such as A level entries in STEM subjects and attainment levels in STEM subjects at GCSE and A Level will be considered as part of programme evaluation, which will consider the impact of ESF interventions in the context of the range of external factors that influence these measures.

410. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. The expectation that this activity will constitute a more intensive and sustained intervention than in previous provision results in the decision to set target values that will maintain the baseline. The result indicator measuring the proportion of participants who continue to study STEM subjects post 16 represents a new measure for ESF provision therefore national data on the participation rates among the wider post 16 cohort has been used to inform the setting

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93 The Welsh Government (2012), Science for Wales, A strategic agenda for science and innovation in Wales
94 The Royal Society, State of the nation, Preparing for the transfer to STEM higher education, 15 February 2011
95 Craft, Design and Technology

Operational Programme for the European Social Fund for West Wales and the Valleys
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 3

of the baseline. The target represents the ambition of the programme to effect a genuine increase upon this baseline.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young People 11-19 completing training in maths, Science Engineering and Technology - male</td>
<td>Percentage</td>
<td>Young People 11-19 - male</td>
<td>53</td>
<td>2013</td>
<td>55</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Young People 11-19 completing training in maths, Science Engineering and Technology - female</td>
<td>Percentage</td>
<td>Young People 11-19 - female</td>
<td>47</td>
<td>2013</td>
<td>55</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Young People 11-19 who continue to study a Maths, Science, Engineering and Technology subject post 16 - male</td>
<td>Percentage</td>
<td>Young People 11-19 - male</td>
<td>17</td>
<td>2013</td>
<td>45</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Young People 11-19 who continue to study a Maths, Science, Engineering and Technology subject post 16 - female</td>
<td>Percentage</td>
<td>Young People 11-19 - female</td>
<td>11</td>
<td>2013</td>
<td>45</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

411. 10% of operations within the Youth Employment Priority will integrate sustainable development into awareness raising, education and training programmes.
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 3

Actions

412. In delivering to the Specific Objective 3, actions within this Investment Priority will target young people between the ages of 11-19, with the aim of increasing engagement with and attainment in STEM subjects, particularly among girls. Actions will enrich the core STEM subject curriculum, complementing and adding value to, but not duplicating, mainstream services.

413. Actions will increase engagement with STEM subjects in order to increase attainment levels at 16 and to increase the take up of STEM subjects post 16, promoting STEM pathways through secondary school and, either directly or through entry to higher education, into employment. Attention will be given to developing engagement with STEM subjects at an early stage of secondary education and consolidating and retaining this engagement through the key transition points at 14 (Key Stage 3 into Key Stage 4) and 16 (the move from compulsory education into post 16 education and training). It is expected that actions will constitute sustained interventions over a prolonged period and involve a significant number of contact hours.

414. Actions will also increase the engagement of girls with STEM subjects, increasing attainment levels both pre and post 16 and increasing the uptake of STEM subjects post 16 amongst girls. Actions will positively reinforce choices and help to break down traditional gender stereotypes in employment and learning, broadening horizons for non traditional job roles or employment sectors and addressing the current under-representation of females in STEM subjects in higher education and in STEM based careers.

415. All interventions will be designed to increase the future employability of young people and will therefore be responsive to the needs of employers, prioritising further learning outcomes for participants. In line with evidence that employer engagement is vital to enthusing and inspiring young people, actions which actively engage and involve employers will be encouraged.

416. Indicative actions which could be undertaken in support of Specific Objective 3 and to the target groups identified above could include:

- actions that increase the engagement and attainment levels of young people 11-16 in STEM subjects and increase the proportion of the cohort that continue to study STEM subjects post 16;
- actions that increase the engagement and attainment levels of girls 11-19 in STEM subjects, increasing the proportion of girls who continue to

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96 For example, the CBI has stated that the ‘real world’ perspective that employers can bring to learning can help to alert young people to the practical value and creative scope of STEM subjects. Cited in Engineering UK 2014 http://www.engineeringuk.com/Research/Engineering_UK_Report_2014/
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 3

study STEM subjects post 16 and closing the participation gap between girls and boys; and

• actions that promote STEM related career paths, encouraging linkages between career choices and longer term labour market trends and tackling traditional gender stereotypes in employment.

417. The planned actions described above within each theme provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

418. Beneficiaries of funding are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations); education providers; universities and the private sector.
Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young People 11 -19 years of age - male</td>
<td>Persons</td>
<td>8,400</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Young People 11-19 years of age – Female</td>
<td>Persons</td>
<td>15,000</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

419. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 4

Specific Objective 4: To increase the skills of the Early Years and Childcare workforce.

Results for the Specific Objective

420. This objective aims to increase the skills of the Early Years and Childcare workforce in the programme area in order to increase the quality of provision and to enhance the development and attainment of our children in their early years. Participants will already be in employment in the Early Years and Childcare workforce. Owing to the nature of provision this will include those who may be part of the public sector workforce, particularly for those in ‘maintained settings’ but will not include teachers.

421. As set out in the Effective Provision of Pre-school Education study on what makes a good quality early years setting\(^{97}\), the workforce is central to improving quality. It is recognised that there are many highly complex and interdependent factors which influence child development, however high quality child care has been shown to be the most effective and cost beneficial single early intervention strategy to enhance child developmental outcomes, in particular language and cognitive development\(^{98}\). The quality of Early Years and Childcare support is intrinsically linked to the skills and qualification of the workforce. The Care Council for Wales undertook a study into the Early Years and Childcare Workforce in Wales in 2010. The study reflects the overall skills levels of the childcare and early years workforce at the time and helped to underpin the development and setting of the result indicators and associated targets. The main direct results for the Specific Objective will be the number of participants from the Early Years and Childcare sector gaining a qualification upon leaving. It may be possible, should the study on the Early Years and Childcare Workforce in Wales be repeated, to evaluate the overall impact on the workforce of this Specific Objective also.

422. There are no specific baselines for the direct result indicators as this is a new area of activity for ESF. Comparable activity which might reflect the skills levels, if not the specific sector, has been used to set appropriate baselines. The 2010 workforce study above could be a useful baseline for evaluating the impact of investments in the future.

\(^{97}\) Sylva, K et al (2007); Effective pre-school and primary education: findings from the pre-school period. Teaching and Learning Research Briefing no. 24

\(^{98}\) Watson, J., White, A., Taplin, S., & Huntsman, L. (2005); Active engagement of families in early intervention programs. Sydney, NSW: NSW Department of Community Services (DoCS), Centre for Parenting & Research.
### Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit for indicator</th>
<th>Common output indicator used as basis for target setting</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Target value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed including self employed participants from the early years and childcare sector gaining qualifications upon leaving - male</td>
<td>Percentage</td>
<td>Employed including self employed participants from the early years and childcare sector - male</td>
<td>57</td>
<td>2013</td>
<td>77</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed including self employed participants from the early years and childcare sector gaining qualifications upon leaving - female</td>
<td>Percentage</td>
<td>Employed including self employed participants from the early years and childcare sector - female</td>
<td>57</td>
<td>2013</td>
<td>77</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

423. 10% of operations within the Youth Employment Priority will integrate sustainable development into awareness raising, education and training programmes.
Priority Axis 3 – Youth Employment and Attainment
Specific Objective 4

Actions

424. In delivering to the **Specific Objective 4**, actions within this Investment Priority will target adults engaged in the Early Years and Childcare workforce. Actions will focus primarily on those with no skills or low skills with a view to progression to intermediate level or beyond, but will also include those with intermediate level qualifications to enhance the number of setting leaders.

425. Set within a ‘Early Years’ theme, actions will operate as part of a coordinated Priority Axis which will deliver a long term legacy approach to addressing the attainment and future employment prospects of our young people, setting in place, through supply side investments, a strong basis for the development of our children going forward.

426. Actions will prioritise qualifications as the main direct result. Due to the nature of the sector and the prevalence of public sector based settings within the Early Years and Childcare sector actions will include participants from the Public Sector Early Years and Childcare workforce. This will not include teachers.

427. Cognitive development in the early years is of great importance to later outcomes and cognitive performance at age three and five are related to later school achievement, academic attainment and occupational outcomes. Research points to the impact that high-quality early education for two year olds can have on later life chances and as a means of ending the inter-generational transmission of child poverty. The quality of childcare is especially important for the most disadvantaged groups where high quality care boosts development.

428. The Nutbrown review shows evidence that by improving the qualification of carers (and therefore the overall quality of the childcare) improvements in the attainment of young children will be seen and children with high attainment will be less likely to become NEET in later life. Research into child poverty emphasises the importance of improving children’s early

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100 Field MP, F. (2010); The Foundation Years: Preventing poor children becoming poor adults. The report of the Independent Review on Poverty and Life Chances

101 Sammons, P. et al (2004); The Effective Provision of Pre-School Education Project; Findings from Pre-school to end Key Stage 1

102 Professor Cathy Nutbrown (2012); FOUNDATIONS FOR QUALITY The independent review of early education and childcare qualifications

Priority Axis 3 – Youth Employment and Attainment
Specific Objective 4

development as a means of ending the inter-generational transmission of child poverty.

429. Allied to this, and in support of the cross cutting themes actions will be targeted at promoting a better gender balance and diversity across the childcare and early years workforce. The Equality Impact Assessment notes that these actions are likely to deliver positive impacts for men seeking to enter the sector. It also concludes that children are likely to benefit from this more balanced approach, which can assist to challenge traditional views regarding gender roles\textsuperscript{104}.

430. Indicative actions which could be undertaken in support of Specific Objective 4 and to the target groups identified above could include:

- Supporting the development of skills in the early years and childcare sector including both current and potential childcare practitioners.

431. The planned actions described above within each theme provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

432. Beneficiaries of funding are expected to include the public sector (local authorities, the Welsh Government); NGO’s (non governmental organisations); education providers; universities and the private sector.

\textsuperscript{104} Equality Impact Assessment
Operational Programme for the European Social Fund for West Wales and the Valleys
### Output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target Value (2023)</th>
<th>Frequency of reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed including self employed Participants from early years and childcare sector - Male</td>
<td>Persons</td>
<td>300</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Employed including self employed Participants from early years and childcare sector – Female</td>
<td>Persons</td>
<td>2700</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

433. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:

- Gender;
- Disability;
- Work limiting health conditions;
- Migrants / BME / Minorities (including marginalised communities such as the Roma); and
- Care / Childcare responsibilities.
The guiding principles for the selection of operations

434. The following common principles will guide future selection of operations:

- An unequivocal focus on supporting sustainable jobs, employment and growth and operations which facilitate the role of the third sector and private sector;
- Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross cutting themes;
- Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes.
- Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;
- Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;
- Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and
- Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.

435. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- clear identification of the specific target groups, their needs and how actions will address these needs at a national, regional or local level as appropriate;
- growth sectors (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and
- areas of specific geographical opportunity (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).
Priority Axis 3 – Youth Employment and Attainment
Specific Objectives 2-4

Additional principles relevant to the specific Investment Priority

436. Actions under Specific Objective 2 and 3 must respond to labour market demands to identify and exploit growth opportunities and continue to enhance the competitiveness of the area. Actions must be responsive to the needs of the economy, aligned to labour market information and be linked to employers to ensure that skills, interventions and the career aspirations of our young people are consistent with employer demand and emerging growth opportunities.

437. Interventions will integrate with actions within Specific Objective 1 of this priority to support progression at key transition points and will work with wider initiatives aimed at addressing the needs of our young people.

438. Actions under Specific Objective 2 and 3 must align to the Welsh Government’s Youth Engagement and Progression Framework.

439. Actions under Specific Objective 4 must align to the Welsh Government’s Early Years and Childcare Plan and support wider ESF, Welsh Government and societal actions to give our children the best start in life and increased life chances. All interventions must make effective links with wider strategies which address early years development and family based initiatives and contributing to wider programmes to tackle poverty and social inclusion.

440. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.


Operational Programme for the European Social Fund
for West Wales and the Valleys
Promotion of Social Innovation (SI) within the Priority Axis.

441. All operations will be encouraged to consider the opportunities Social Innovation (SI) provides in piloting or developing innovative approaches to delivery. Operations will be encouraged to consider the options to undertake small scale SI activities which will explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place.

442. Potential areas for SI actions across the programme might include:

- targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;
- trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and
- support to trial and develop sustainable exit strategies through testing of new delivery models.

443. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Interventions which are likely to deliver substantial outcomes should have an evidence base indicating where trialling or piloting of approaches would work most effectively.

444. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.

445. Specific actions within this Priority Axis might include but are not limited to:

- Innovative approaches to engaging with young people furthest from the labour market with complex and long term barriers, supporting them to access the labour market and achieve sustainable employment.
- Innovative approaches targeting those at most risk of NEET in order to increase engagement and attainment and reduce Early School Leaving.

446. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG’s) within EMFF). LEADER groups or FLAG’s, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK
Priority Axis 3 – Youth Employment and Attainment
Specific Objectives 1-4

Partnership Agreement and in the section on the integrated approach to territorial development of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.

Specific Provision for Transnational Cooperation

447. Transnational cooperation actions will be targeted towards addressing specific needs within WWV while maximising the added value that can be delivered by transnational cooperation.

448. Actions will involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.

449. Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to WWV and working to common goals. Actions should support transnational partnership working to share good practice and to develop and pilot innovative solutions, to develop and share high level skills and expertise and to develop and share skills and expertise that will support a modern knowledge-based economy and a modern, adaptable and agile labour market.

450. Specific actions within this Priority Axis might include but are not limited to:

- Actions to share good practice and develop common and innovative approaches to supporting young people, including those who are NEET, to access the labour market.
- Actions to share good practice and develop common and innovative approaches to combat disaffection amongst young people and to develop innovative learning options.

Contribution to other ESI Funds Investments

451. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under Thematic Objectives (TO) 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TO1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals from farming and fishing communities will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and will support the integrated approach to implementation outlined in the section on the integrated approach to territorial development.

452. Investments within this priority will engage young people in appropriate education and training to deliver the qualified future workforce required by employers. In this way actions will complement ERDF, EAFRD and EMFF interventions under TO3 to support SME’s to stimulate business growth, diversification and expansion into new markets, develop local
Priority Axis 3 – Youth Employment and Attainment
Specific Objectives 1-4

supply chains that link into economic growth opportunities, encourage
start ups and improve the productivity of SMEs.

453. Supporting young people to develop entrepreneurial skills will also
complement and integrate with ERDF interventions under TO3 to
promote entrepreneurship. Those young entrepreneurs seeking self-
employment will be facilitated to access financial support and advice
provided through ERDF, EAFRD and EMFF, avoiding duplication of
activity.

454. Actions to support young people to access the labour market will work in
conjunction with ERDF and EAFRD. Interventions under TO4 and 7 to
increase urban and labour mobility to and from key urban and
employment centres and to improve rural connectivity, thereby ensuring
that ESF interventions to enable young people to access sustainable
employment will complement sustainable transport solutions to improve
physical accessibility to employment centres.

455. ESF interventions in youth attainment, particularly STEM, will support
the development of a future workforce that is equipped with the
specialised and higher level skills required to realise the potential of
ERDF supported investments in ICT and innovative and emergent
technologies under TO1, 2 and 4. Actions will also develop a future
workforce that is equipped to realise the potential of EAFRD and EMFF
actions under TO2, 3 and 4 to support rural and coastal businesses to
adopt new technology and increase efficiencies and to develop local
supply chains that link into economic growth opportunities.

Coordination between the Funds, the EAFRD, the EMFF and other
Union and National Funding Instruments, and with the EiB.

456. The approach to the delivery and coordination of the ESI funds in Wales
is set out in the Welsh Chapter of the UK Partnership Agreement, with all
funds being delivered together and overseen by a single Programme
Monitoring Committee (PMC). A coordination group comprising
representatives from the Managing Authorities for each of the Funds will
be established to promote coordination across the Funds, identifying the
most appropriate source of funding and building portfolios of operations
in areas of common interest and ensuring no duplication of funding.

457. A suite of guidance documents, including an Economic Prioritisation
Framework (EPF), will be used to drive synergy between ESI Funds and
wider investments in the Welsh economy. The EPF aims to capture the
wider investments which are of relevance to the ESI funds. Using this
Framework, all ESI funds will be expected to add value to those wider
investments, avoiding duplication and building on existing assets.

458. ESF investments in human capital will complement and combine with
investments made by the wider ESI funds in order to facilitate the
realisation of the overall aims and objectives of the ESI Funds in Wales.
A strict approach to demarcation has been avoided for 2014-2020 to
facilitate the joint development of schemes and operations. Therefore,
where clear additionality to provision under EAFRD and EMFF is
demonstrable, individuals involved in farming and fishing will be able to access ESF support.

459. Specific information on the complementarity between specific ESF Priority Axes and other ESI Funds is given below, while the contribution of the ESF programme to Thematic Objectives 1-7, is detailed in each ESF Priority Axis. The approach to coordination and integration with ERDF and EAFRD is outlined in the section on the integrated approach to territorial development, which highlights the use of existing planning and coordination mechanisms to prioritise investments and to identify and integrate the most appropriate ESI funding package.

460. In all cases complementary between investments will be sought and the potential for use of flexibilities or joint funding will be explored on a case by case basis. This will be achieved through the operation selection criteria by which every operation will be required, amongst a number of other criteria, to demonstrate:

- how they have considered the other relevant funding sources;
- to articulate how they are linking into or establishing complementarity with these funds and the investments which they are supporting; and
- to evidence how their proposal links into and adds value to wider investment programmes.

461. There will be opportunities for complementarity with actions being supported by the ESF programme in East Wales (EW). Common Priority Axes of “Tackling Poverty through Employment”, “Skills for Growth” and “Youth Employment” have been designed across both programmes, utilising the same Thematic Objectives and Investment Priorities. Both Programmes will be managed by WEFO as Managing Authority, with the same teams managing the equivalent Priority Axes across both programmes, overseen by an ESF portfolio management group.

462. Where the aims of the Programmes and Specific Objectives of the Priority Axes complement each other, WEFO will facilitate the establishment of both complementary operations and complementarity between operations. The approach will vary by Priority Axis dependant on the strength of the complementarity. It will also vary by operation, reflecting the proportionality principle.

463. At a UK level, as with the Tackling Poverty through Sustainable Employment Priority Axis above, the UK Government programme for welfare reform will have a significant impact on the delivery of ESF supported employment actions. The ESF programmes will have to complement and add value to mainstream delivery. Mechanisms for achieving this have been described above and in the relevant Priority Axis sections of the Programme.

464. Alignment of the ESF programme with the Welsh Government Youth Employment and Progression Framework and its identification and tracking systems will be a key tool in ensuring ESF complements and
adds value to interventions to support those young people most in need of support. The mapping exercise undertaken as part of this Framework will ensure that any ESF operation truly addresses gaps in provision and does not duplicate mainstream statutory provision. The Managing Authority will work with the relevant Welsh Government departments on the appraisal and implementation of ESF operations to support this process.

465. ESF investments to make young people work ready and to promote entrepreneurship will complement ERDF, EAFRD and EMFF investments to increase business productivity and growth, matching future workforce supply with employer demand. ESF support will also equip young people to access employment opportunities within their communities, including those opportunities being created by the ERDF and, within rural and coastal communities, as a result of EAFRD and EMFF investment.

466. The EU’s Lifelong Learning Programme and specifically the Comenius and Erasmus elements will potentially complement activity within the ESF programmes. The Managing Authority will work closely with the UK National Agencies for these programmes (the British Council for Comenius and Erasmus) as well as the policy department coordinating information in Wales (the Department for Education and Skills) to stimulate links and complementarities. An assessment of how any proposed operation fits within this context will feature as part of the operation selection and assessment process. Expert advice will be sought where required.

The ex-ante assessment of the use of Financial Instruments (FI) in ESF (i.e. a potential use of European Investment Bank - EIB - funding) considered a number of equalities and equal opportunity based actions. The evaluation concluded that in most cases there was limited potential for FI in the delivery of ESF actions and any potential approach is likely to be less effective than a grant based approach in terms of achieving the results sought. It is therefore not proposed to utilise FI in the delivery of ESF actions.
Priority Axis 4: Technical Assistance

Introduction

467. Technical Assistance (TA) funded actions, as with the 2007-2013 programmes, will be developed as part of mono fund priorities but will be delivered by the Managing Authority (MA) and relevant stakeholders as part of collaborative and integrated approaches across the ERDF and ESF programmes for the West Wales and the Valleys and East Wales programme areas. The approach outlined in the priority axis below will be mirrored across these programme areas and reflected in the result and output indicators selected.

468. The approach builds on the successful implementation of TA activity in the 2007-2013 programmes which utilised TA to enhance implementation arrangements, providing additional capacity for programme support and development, research and monitoring activity and programme promotion. TA was also utilised in the direct support of salary costs by the MA and relevant stakeholders.

469. Supporting direct salary costs within the 2014-2020 programmes of the MA, Certifying Authority (CA), Audit Authority (AA) and partners is considered an important element of the delivery of the programmes. It is proposed for the 2014-2020 programmes to utilise TA to continue to support those posts identified within the 2007-2013 programme as increasing the capacity of the administrative functions of the relevant authorities and partners. In line with this approach any new additional posts required for the 2014-2020 programmes to further develop the audit and administrative function of the MA, CA and AA, will also be supported by TA. The resources of the Welsh Government and its partners will be used alongside the TA resource.

470. A number of programme level evaluation and external reviews have been undertaken during the 2007-2013 programmes which have covered a number of areas supported through TA funded activity including:

- The enhanced programme management and monitoring arrangements, to include the Project Development Officer (PDO) function;
- specialist and technical guidance and support, including the Specialist European Teams (SET) and Cross Cutting teams;
- research and evaluation;
- information and publicity, including operating a customer helpline; and
- strengthened audit arrangements and irregularities' management

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471. The findings of the evaluations showed that there is widespread support for the PDO role and support services for beneficiaries, delivered through the MA and SET, bringing genuine programme benefits and ensuring that the appraisal and management processes are well understood and effectively implemented. The successful management of the 2007-2013 Welsh programmes has also been recognised through a number of awards to Wales including the ‘Region of Excellence’ Awards and four project based RegioStars awards.

472. It is important that TA funds are used during the 2014-2020 programmes to maintain this strong position and deliver further improvements.

Specific Objective 1: To ensure the efficient and effective management of the 2014-2020 programmes.

Results expected.

473. Specific Objective 1 aims to ensure that the programmes are delivered efficiently and effectively in Wales. The key measure underpinning this objective and forming part of the compliance report for the programme is the irregularity rate. This measure displays the total value of irregularities for the programme reported to OLAF as a percentage of total certified eligible expenditure claimed by projects.

474. In 2013 the irregularity rate for the programme area was 0.41%, well below the 2% threshold used by the EC to implement corrective action.

475. In addition, the WEFO error rate, published by the Audit Authority in the Annual Control Report will also be used as a measure to support and measure the achievement of the Specific Objective. The December 2012 WEFO error rate for the programme areas was 0.17%.

Result indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement Unit</th>
<th>Baseline Value</th>
<th>Baseline year</th>
<th>Target Value (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irregularity Rate</td>
<td>Percentage</td>
<td>0.41%</td>
<td>2013</td>
<td>Below 2%</td>
</tr>
<tr>
<td>WEFO Error Rate</td>
<td>Percentage</td>
<td>0.17%</td>
<td>2012</td>
<td>Below 2%</td>
</tr>
</tbody>
</table>

Specific Objective 2: To provide high quality advice to key partners involved in the design and delivery of operations.

Results expected.

476. Specific Objective 2 aims to improve customer satisfaction levels through providing high quality advice to key partners involved in the design and delivery of operations. Measured across TA funded activity for all Structural funds in Wales this reflects the satisfaction of
beneficiaries with the service received from WEFO for all approved operations.

477. The baseline overall customer satisfaction rating, dating from 2009, is 45%.\textsuperscript{107}

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement Unit</th>
<th>Baseline Value</th>
<th>Baseline Year</th>
<th>Target Value (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>Percentage</td>
<td>45%</td>
<td>2009</td>
<td>50%</td>
</tr>
</tbody>
</table>

Specific Objective 3: To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes.

Results expected.

478. Specific Objective 3 aims to ensure that the programmes complement and are integrated with all ESI funds in Wales and wider Commission, Welsh Government and Sector Led programmes. Measurement of this activity will primarily be in the form of the outputs such as the number of collaborative projects delivered.

Actions

479. TA is an essential resource for supporting the effective delivery of the Programme. The delivery of the 2014-2020 programmes requires a continued emphasis on strategic delivery with greater alignment and harmonisation of ESI Fund investments through the concentration of resources to achieve sustainable outcomes for jobs and growth.

480. In Wales there are a number of key areas which will be developed and undertaken by partner organisations and the MA itself in order to deliver to the objectives and to ensure the new programmes achieve the integration, concentration and focus required. Actions are not mutually exclusive to any of the objectives and have therefore been grouped around 6 key investment areas which collectively will ensure the objectives and associated results are achieved.

481. Salary costs, as with the 2007-13 programmes, will form an important part in the delivery of TA funded activity for the MA, the Audit Authority, CA and wider delivery partners. These Salary costs will be incurred within all activities set out below, enhancing the capacity to achieve the overall objectives of the TA priority.

\textsuperscript{107} WEFO Customer Insight Survey 2009 - This is the percentage of interactions, where the operation was approved, with which the beneficiary was satisfied or very satisfied with the service received.
482. The MA and its partners have substantial experience in the implementation of TA in this way. All posts funded via TA will be subject to the Human Resources and remuneration policies of the employing organisation.

Management

483. Integration of funds will bring new administrative challenges for the MA, for example in the implementation of an enhanced role for Financial Instruments and the integration of specialist functions such as Cross Cutting Themes\textsuperscript{108} (CCTs). Actions will enhance and strengthen strategic and integrated programme support and development.

484. Actions will include:

- To continue to enhance the internal programme management function in the development and delivery of integrated and sustainable programmes;
- To continue to develop the specialist knowledge within the MA and stakeholders through regular training and networking activities;
- To advise and support the development of projects, encouraging innovation, transnational cooperation, sharing of good practice and mainstreaming;
- Actions seeking to reduce the administrative burden on beneficiaries;
- To provide high quality technical advice and expert functions, in areas relating to, for example; procurement, financial (to include Financial Instruments) and scientific expertise, project development, complaint resolution, innovation and compliance;
- To develop and enhance bespoke and integrated IT systems for the delivery of ESI Funds and to aid e-Cohesion; and,
- To provide specialist advice and support to projects on the integration, implementation and monitoring of the CCTs.

Partnership and Networking

485. Strong partnerships and networks lie at the heart of the successful implementation of the programmes and the integration of the ESI funds at all levels. The MA will continue to engage partners, including social partners, and key stakeholders in programme implementation and delivery.

486. Actions will include:

- Encouraging and facilitating collaborative projects and approaches;
- Alignment with European Commission led, ESI fund and Sector based programmes;

\textsuperscript{108} WEFO Customer Insight Survey 2009 and The Effectiveness of Implementation in the 2007-2013 Structural Funds Programming Period
Technical Assistance

- Enhancing capacity for cross programme coordination and the integration of ESI funds with national expenditure and programmes; and
- Strengthening coordination and liaison mechanisms with partnerships and promoting partnership working.

Monitoring

487. A single Programme Monitoring Committee (PMC) will be established to oversee the effectiveness, quality and integration of the ESI Fund programmes. TA will be used, where eligibility allows, to ensure the efficient and effective management of the programme through supporting the duties of the PMC.

488. The MA will establish a Secretariat team to manage PMC arrangements for all ESI Fund programmes. The Secretariat will approve, manage and monitor all TA expenditure declared in respect of PMC meetings and functions, ensuring that expenditure is not declared more than once against different ESI Fund. PMC costs will be apportioned across the ESI fund programmes, based on the relative size (value of EU contribution) of each programme.

489. Actions will include:
- Enhanced management support to the PMC and improved reporting to the European Commission; and
- Expenditure on PMC including expenses and fees for appointed experts (experts appointed to the PMC based on merit will be remunerated in line with the Welsh Governments normal practice).

Research and Evaluation

490. Research and Evaluation continues to play a central role in helping the MA to manage programmes effectively. The specialist Research, Monitoring and Evaluation (RME) team within the MA will continue to design, carry out and manage programme level evaluations and provide or source expert advice and guidance to project level evaluations.

491. Actions will include:
- Programme level research and evaluation, including research into the CCTs;
- Provision of evaluation advice and guidance to sponsor organisations;
- Research and evaluation dissemination and workshops events; and
- Management of research and evaluation exercises, for example through the Evaluation Advisory Group.

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109 ERDF and ESF (Less Developed and More Developed Regions) and EAFRD
Information and Publicity

492. The successful integration of ESI funded programmes will depend to a large degree on a wide understanding among the sponsors, partners and stakeholders of its contents, governing regulations, aims and objectives. It is also essential that the benefits and achievements of the programmes are widely publicised to highlight the value added by the EU working in partnership with the Welsh Government and its partners.

493. Actions will include:

- Dissemination of information, publicity and communication including guidance for partners and sponsors, seminars and workshops and networking events;
- Disseminating and promoting of the impacts of enhanced integration with ESI funds and wider sector programmes e.g. Horizon 2020;
- WEFO website development and maintenance;
- Diversity and accessibility initiatives; and
- The operation of a Helpline.

Audit and Control

494. WEFO and the Audit Authority has developed significant strengths in audit and control within the 2007-2013 programmes. Further enhancing the audit and control functions alongside a dedicated compliance unit will ensure that WEFO continue to build on developed strengths and maximise the opportunity structural funds investments can bring.

495. Actions will include:

- Enhanced audit arrangements to ensure that these work effectively, improving quality and timelines;
- Improving irregularity monitoring and reporting;
- Enhanced support to combat fraud and corruption; and
- Provision of consistent advice and guidance to sponsors and partners through the WEFO compliance unit.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement unit</th>
<th>Target value (2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of training events held*</td>
<td>Number</td>
<td>10</td>
</tr>
<tr>
<td>Framework Contract for Specialist Expertise in place for delivery of operations*</td>
<td>Number</td>
<td>1</td>
</tr>
<tr>
<td>Number of operations undergoing a formal assessment for their cross cutting themes integration</td>
<td>Percentage</td>
<td>90</td>
</tr>
<tr>
<td>Number of research reports published</td>
<td>Number</td>
<td>74</td>
</tr>
<tr>
<td>Number of operations given Monitoring and Evaluation advice</td>
<td>Percentage</td>
<td>100</td>
</tr>
<tr>
<td>Number of dissemination events*</td>
<td>Number</td>
<td>6</td>
</tr>
<tr>
<td>Number of events organised by WEFO*</td>
<td>Number</td>
<td>10</td>
</tr>
<tr>
<td>Number of press releases issued*</td>
<td>Number</td>
<td>400</td>
</tr>
<tr>
<td>Number of high profile launches</td>
<td>Percentage</td>
<td>50</td>
</tr>
<tr>
<td>Number of e-newsletters issued*</td>
<td>Number</td>
<td>72</td>
</tr>
<tr>
<td>Percentage of enquiries resolved within 5 working days</td>
<td>Percentage</td>
<td>75</td>
</tr>
<tr>
<td>Number of audit visits</td>
<td>Percentage</td>
<td>50</td>
</tr>
</tbody>
</table>

* Targets cover both ESF (and ERDF) operational programmes. Owing to the way the Managing Authority publicise EU funding it is not possible to apportion this activity to each programme.
Integrated Approach to Territorial Development

A description of the integrated approach to territorial development

496. The Welsh ESI fund programmes have all been developed taking a view across the whole of Wales, looking to address structural issues in a coherent and coordinated way. A key element to deliver this in an integrated, concentrated and simplified method will be effective targeting of all funds, including targeting based on specific and ongoing territorial needs and opportunities. This enables differing territorial development needs to be reflected in the most appropriate way (national, regional, sub-regional or local). The NUTS2 regions do not take into account sub-regional functional economic areas in Wales, such as the Cardiff City Region in South East Wales or the Swansea Bay City Region in South West Wales\(^{110}\). Integrated approaches to territorial development irrespective of these boundaries will therefore be actively encouraged. An outline of this approach for all ESI funds is set out in the Partnership Agreement. The Welsh Economic Prioritisation Framework\(^{111}\) acts as a complement to the various Operational Programmes, helping to identify key spatial targeting approaches already underway and key opportunities for future investment.

497. Key spatial strategies are emerging supporting both the development of key urban areas (City Region strategies), rural areas (the Growth Zone initiatives\(^{112}\)), and strategic sites (Enterprise Zones\(^{113}\)). Each initiative has its own strategic planning and governance arrangements, complemented through local government and regional planning (e.g. Regional Learning Partnerships). There are clear common needs identified across each spatial analysis, including skills development to respond to identified need and demand from employers, as well as increasing connectivity, developing strategic infrastructure and attracting private sector investment. Alignment with these approaches therefore aligns closely to the objectives of the Operational Programmes, in particular where the development of critical mass can be supported.

\(^{110}\) To see report on City Regions: http://wales.gov.uk/topics/businessandeconomy/publications/120711cityregions/?lang=en

\(^{111}\) See: http://wefo.wales.gov.uk/applyingforfunding/funding2014-2020/epf/?lang=en

\(^{112}\) For example in Powys (http://wales.gov.uk/topics/businessandeconomy/policy/plgzones/?lang=en) and the Teifi Valley (http://wales.gov.uk/topics/businessandeconomy/policy/teifi/?lang=en)

\(^{113}\) Seven Enterprise Zones have been identified across Wales, each focussing on specific sectors. More information available at: www.enterprisezones.wales.gov.uk
498. The Managing Authority will work with beneficiaries to identify the most appropriate funding package across the ESI funds. This will be of particular importance for investments which seek to target those at risk of poverty, disadvantage and exclusion, as set out in the Tackling Poverty and Social Exclusion Cross Cutting Theme, and linking these target groups with economic opportunity and growth at local, regional and national level.

**Community led local development**

499. The approach to Community Led Local Development (CLLD) is set out in the Welsh Chapter of the UK Partnership Agreement and will be centred on the integrated approach to territorial development described above and in the Welsh Chapter of the UK Partnership Agreement. No direct support for CLLD as set out in Article 32 of the Common Provisions Regulation is envisaged for this Operational Programme; however in order to ensure an integrated approach to territorial development direct links will be encouraged between CLLD supported through the EAFRD (under LEADER) or EMFF (Fisheries Local Action Groups - FLAGs) and investments made under the ESF.

500. The regional coordination and delivery of regional strategies described in the Welsh Chapter of the UK Partnership Agreement will create the linkages between the CLLD investments made under the RDP (and other community initiatives funded outside of the ESI funding framework) and the opportunities for regional integrated investments under the ESF. It is anticipated that the strengthened regional engagement to be put in place for the 2014-2020 programmes (as recommended by the Guilford Report) will have an explicit role to identify any links between different ESI funds.

501. The Welsh Chapter of the UK Partnership Agreement also details the relationship between CLLD investments under RDP. In practice this might take three distinct forms:

- Successful pilot actions under LEADER or other Community schemes (e.g. Communities First) are scaled up from local pilots as part of regional demonstration schemes or within nationally delivered activity;
- LEADER Groups (or other community partnerships) will be eligible to bid directly to the Managing Authority if they develop a scheme that fits with the programme strategy; and
- LEADER Groups (or other community partnerships) will be encouraged to support the opportunities for Social Innovation as outlined in each of the Priority Axes.

502. To facilitate these linkages a number of administrative functions have been bought together as described in the Welsh Chapter of the UK Partnership Agreement. These include; a single programme monitoring Committee for the ERDF, ESF and EAFRD; a single Research Monitoring and Evaluation team; a single Cross Cutting Themes Unit; a
Integrated Approach to Territorial Development

single ESI Funds management board; a single website portal for ESI funds; and, a single set of national eligibility rules and guidance.

Integrated actions for sustainable urban development

503. No ESF will be used to support sustainable urban development in accordance with the provisions under Article 7(2) of the ERDF Regulation as this action does not feature within the ERDF programme. However, the design of ESF investments will be expected to take due regard of ERDF funded actions supporting sustainable urban development which meet the spirit of the regulations. Regional and urban authorities will therefore be encouraged to consider opportunities for developing integrated programmes of complementary investments, utilising ESF in conjunction with wider investments (including other ESI funds) to deliver against integrated territorial strategies.

Integrated Territorial Investment (ITI)

504. At the outset of the programme there is no immediate intention to use Integrated Territorial Investment (ITI) vehicles. This approach and a period of review are set out in the Welsh chapter of the UK Partnership Agreement.

505. At this time it is felt that the same benefits can be achieved through Welsh-designed implementation arrangements that would not require pre-selection of funding allocations or new reporting and monitoring requirements. The Welsh Managing Authorities are seeking to ensure greater integration and coordination between all ESI funds in Wales, and as a small country are able to work closely with partners across Wales in delivering integrated territorial investments without needing to put in place new administrative architecture.

506. Regional and urban authorities will be encouraged to use existing planning and coordination mechanisms (for the delivery of existing territorial strategies) to prioritise investments for their territorial areas. The Managing Authority will work with those authorities to help identify the most appropriate ESI funding package, if relevant. For example an integrated package of support might be developed across the ESI funds to support the development of a City Region or Enterprise Zone, but this does not need to be done through an ITI, merely through effective planning and coordination.

Interregional and transnational actions

507. A key challenge for the programme will be to more effectively mainstream cooperation actions and achieve better international coordination. This is particularly important for investments aimed at targeting shared social challenges and goals such as unemployment, youth unemployment, and labour market mobility and those targeting recognised equality groups and those most at risk of poverty. It is expected that operations supported in these areas through this
programme will seek opportunities to incorporate some form of transnational or cooperation activity, international best practice or technical expertise.

508. Direct links are also being made between this programme and the European Territorial Cooperation programmes in which the programme area participates. There are a number of common objectives, for which complementary funding packages will be sought in particular where skills investments will help underpin economic ambitions and investments.

**Contribution of the planned actions to macro-regional and sea-basin strategies**

509. The UK is incorporated in the Atlantic Strategy and this is described in the UK Partnership Agreement. This is not seen as a key driver for this programme though links will be encouraged where opportunities arise specifically in the provision of skills which can support blue growth and cooperation on research and innovation.
Role of Relevant Partners

Relevant authorities and bodies

<table>
<thead>
<tr>
<th>Authority / body</th>
<th>Name of the authority/body, and the department/unit, where appropriate</th>
<th>Head of the authority/body (position or post)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Authority</td>
<td>Welsh European Funding Office (WEFO)</td>
<td>WEFO Chief Executive</td>
</tr>
<tr>
<td>Certifying Authority, where applicable</td>
<td>Welsh European Funding Office</td>
<td>Head of Certifying Authority</td>
</tr>
<tr>
<td>Audit Authority</td>
<td>European Funds Audit Team (Welsh Government)</td>
<td>Head of Corporate Governance &amp; Assurance (Welsh Government)</td>
</tr>
<tr>
<td>Body to whom payments will be made by the Commission</td>
<td>Strategic Planning, Finance &amp; Performance (Welsh Government)</td>
<td>Director General, Strategic Planning, Finance &amp; Performance</td>
</tr>
</tbody>
</table>

Involvement of relevant partners

510. The Operational Programme has been developed in partnership with key stakeholders. WEFO, as Managing Authority has led the process and taken responsibility for drafting the Operational Programmes with extensive engagement with partners over the development and content.

511. This has involved a number of specifically appointed Advisory Groups and expert workstreams / working groups together with extensive public engagement over the development period. Membership of each group reflected a full range of stakeholder interests (and those specified in Article 5) from the public, private and third sectors, together with appropriate gender and geographical balance and with equality and environmental interests represented. The various groups are described below with membership details.

512. Before embarking upon drafting the Operational Programme the then Deputy Minister for Agriculture, Food, Fisheries and European
Programmes initiated a “Reflections Exercise”\textsuperscript{114} which provided stakeholders with an early opportunity to comment on the strategic direction and future investment priorities based on the draft legislative proposals. Partners and stakeholders were generally supportive of the principles underpinning the legislative proposals and the need to align the new programmes with Welsh Government policy objectives to maximise impact. This enabled the Deputy Minister to outline the strategic direction and a number of guiding principles under which the 2014-2020 programmes would be developed in a statement to the National Assembly for Wales on 8 May 2012\textsuperscript{115}. These included the need to focus and concentrate resources on areas most likely to have a transformational impact on the Welsh economy and contribute significantly to job creation.

513. Initial work was assisted through the Ministerial Advisory Group on European Programmes, a small task-and-finish group, established to generate ideas and advise Ministers directly on a number of key strategic issues. The members were carefully selected as experts in their field, with the ability and insight to offer the necessary strategic thinking across all programme and policy areas. The group consists of external experts with significant experience and strategic expertise, senior Officials from the main Welsh Government spending departments and advisors offering specialist advice, including senior officials responsible for the development and delivery of European programmes.

514. The European Programmes Partnership Forum was established as the main vehicle for external stakeholder engagement on European funding developments post 2013. The Forum was established in 2011 and remained in operation during the entire programme development period; providing direct input into the formation of both the Operational Programme and Welsh Chapter of the UK Partnership Agreement. The membership was drawn partially from the All-Wales Programme Monitoring Committee (PMC), supplemented with additional partners to ensure that the Forum reflected the interests of all relevant stakeholder groups in Wales. The formation of the group provided a balance of interests and reflected an appropriate level of private sector representation, gender balance, spread across funds, and geographical representation.

515. Four technical workstream groups were established in mid 2012 to consider the technical and operational detail of the 2014 to 2020 programmes and to advise on the content, processes and procedures reflecting Ministerial strategic direction. These covered:

- Operational Programmes;

\textsuperscript{114} \url{http://wefo.wales.gov.uk/programmes/post2013/reflectionexercise/?lang=en}
\textsuperscript{115} \url{http://www.assemblywales.org/bus-home/bus-chamber-fourth-assembly-rop.htm?act=dis&id=233432&ds=5%2F2012#da14}

Operational Programme for the European Social Fund for West Wales and the Valleys
Role of Relevant Partners

- Delivery and Compliance;
- Monitoring and Evaluation; and
- Territorial Cooperation.

516. Members of the Operational Programmes workstream were directly involved in defining the content of the programmes including the direction of the strategy and cross cutting themes (horizontal principles) while members of the Delivery and Compliance and Monitoring and Evaluation workstreams were specifically involved in the consideration and preparation of guidance, indicators and delivery and control arrangements. Members were appointed via invitations for nominations and were selected based on experience of EU funded programmes together with relevant EU, UK and Welsh policy, and relevant subject experience appropriate to each workstream. A full stakeholder interest, geographical and gender balance was maintained.

517. Finally, to ensure proposals were aligned to Welsh Government policies and strategies a Welsh Government European Programmes Policy Group was established. Policy Group meetings followed those of the Operational Programmes workstream and both groups informed the draft proposals presented for public consultation in early 2013. Members comprised senior level policy representatives nominated by Directors General from all relevant Welsh Government Departments.

518. A full public consultation, ‘Wales and the EU: Partnership for Jobs and Growth’ was launched on 14 January 2013 to seek views from partners on the Welsh Government’s proposals for the Structural and Rural Development Funds. The consultation ended on the 23 April 2013, and generated 126 responses for the Structural Fund proposals.

519. The consultation was supported by four Welsh Government regional stakeholder events, with over 300 stakeholders attending to discuss the key opportunities and challenges in a series of workshops. A number of external stakeholder groups also organised sectoral events during the consultation period which were attended by WEFO officials.

520. Consultants were appointed to analyse the results of the consultation and their Structural Funds report was published on the WEFO and Welsh Government websites and announced by the Minister of Finance in a statement to the National Assembly for Wales on 9 July 2013. The consultants appointed to analyse the consultation were from the same organisation responsible for the Ex Ante Evaluation and therefore had a detailed understanding of the issues raised.

521. The consultation generated overwhelming support for the Structural Fund proposals both in terms of the Investment Priorities selected and the importance of concentrating resources in order to achieve a transformational impact. A number of respondents raised concerns about the absence of a discrete priority relating to tackling poverty and social exclusion. The ESF programme has been developed in line with the Welsh Government policy, as articulated within its Tackling Poverty Action Plan, which states that the best route out of poverty is through employment.

522. Actions to address poverty and social exclusion therefore focus on removing barriers to employment and helping people to move onto the employment ladder. With this as the underlying principle, WEFO re-framed actions to support those living in or at risk of poverty and social exclusion to sit within a 'Tackling Poverty through Sustainable Employment' Priority Axis supporting these participants to access and retain secure and sustainable employment. This Priority Axis complements the cross-cutting theme on Tackling Poverty and Social Exclusion.

523. A single Wales Programme Monitoring Committee for the 2014-2020 European and Structural Investment (ESI) programmes has been established in shadow form and will be formally be adopted following approval of the programmes by the European Commission.

524. The PMC will cover all three ESI funds managed by the Welsh Government (ERDF, ESF, EAFRD) and will be responsible for approving Structural Funds operation selection criteria, examining the progress made in delivering agreed programme objectives, and any modifications to the programmes and agreeing the Evaluation Plan and any modifications to the programmes.

525. The membership of 27 (plus Chair), based on the principles of partnership and many of the best practices set out in the European Code of Conduct on Partnership, consists of 6 expert members appointed via a public appointments process and 21 members nominated on a sectoral basis. Members are drawn from across the private, public and third sectors (including economic and social partners, national, regional and local authorities; and representatives of civil society including environmental and equality bodies). The membership composition was also designed to deliver a broad gender balance and distribution across the two Welsh regions and the urban/rural dimension. Draft terms of reference will be prepared and agreed at the inaugural meeting. This will include detailed guidance on how potential conflicts of interests are addressed.

526. The establishment of a single PMC was supported by our partners on the basis of the feedback received during the public consultation and will facilitate a more holistic assessment of the impact and effectiveness of the funds in delivering the EU2020 agenda, set against the Economic
Role of Relevant Partners

Prioritisation Framework and supported by enhanced management and monitoring information.

527. The existing **Delivery and Compliance and Evaluation Advisory Groups** will remain in operation for the duration of the 2014-2020 to continue to advise on delivery and implementation (including the content of guidance) and monitoring and evaluation arrangements. These groups have been in existence throughout the 2007-13 programming period and comprise wide internal Welsh Government and external stakeholder interests.

528. The **Delivery and Compliance Group (D&CG)** is a technical expert group established by the Managing Authority (WEFO) as a forum for partners to feedback implementation and compliance operational issues.

529. The Group’s work informs the work of PMC, and has a specific remit to review WEFO’s regular ‘Compliance Report’ before presentation at the PMC. This includes audit results and common errors found in management verification work. The group supports the PMC to satisfy itself of the effectiveness and quality of the implementation of the Welsh Structural Funds Programmes in the areas of delivery and compliance.

530. The role of the **Evaluation Advisory Group** is to advise and assist in designing evaluation studies, quality controlling the research final reports and ensuring that findings are disseminated widely. The group will also monitor the implementation of the Monitoring and Evaluation Strategy for the Structural Funds programmes in Wales for the period 2014–2020.

531. There are no plans to entrust part of the management of the Operational Programme to Intermediate Bodies, for example by using Global Grants or Integrated Territorial Investments and using the provisions set out in article 123(7) of the Common Provisions Regulation (CPR) EU 1303/2013. Intermediate Bodies, using the provisions set out in article 123(6) of the CPR, will be designated to perform certain delegated tasks in relation to the management of certain aid schemes. Delegated tasks will include, at least, the selection of projects (beneficiaries), the issue of documents to beneficiaries that set out the conditions of support and state aid administration for the scheme. The Intermediate Bodies designated to manage the aid schemes are likely to be Welsh Government departments.

532. We will not be utilising global grants in the implementation of ESF in the Programme Area.

533. The participation of the social partners (business and trade unions) will be actively encouraged in the implementation of the ESF programme in WWV. It is not proposed to invest specifically in building the capacity of social partners within the main priority axes of the programme however there will continue to be a role in implementation through procured
Role of Relevant Partners

delivery and as beneficiaries leading on, or participating in, the delivery of operations as is the case in the 2007-2013 programmes.

534. The following activities provide an indication of actions that could be taken forward in close collaboration with the social partners:

- Strengthening links between business and education aimed at ensuring that there is a closer integration between employer needs and the vocational and basic skills curricula;
- Greater role in communicating labour market intelligence on future employment and skills needs across the Welsh Economy;
- Actions which improve the effectiveness of social dialogue and activities jointly undertaken by or led by the social partners, in particular as regards the adaptability of workers and enterprises.
- Partnership initiatives aimed at promoting equality and diversity in employment and in the workforce generally;
- Actions to support the health and wellbeing of the workforce especially where poor health may be a contributor to the loss of employment.

535. In the 2007-2013 programme period Technical Assistance has been used to support the engagement of, and developing the capacity of, NGO’s and voluntary organisations in the delivery of programmes. This has included the provision of tailored support, information, advice and networking opportunities. It is proposed that similar activities will be possible through Technical Assistance activities within the ESF programme as described in Section 2.B., these will include:

- Management – further developing the functions and systems of the Managing Authority to deliver integrated sustainable programmes and to provide expert advice and guidance to beneficiaries;
- Partnership and Networking – facilitating effective engagement and partnership working with stakeholders in support of programme implementation;
- Monitoring – establishing and supporting the single ESI Funds Programme Monitoring Committee;
- Research and Evaluation – continuing to deliver quality evidence based information to support programme delivery;
- Information and Publicity – highlighting the value added by the EU working in partnership with the Welsh Government and its partners; and
- Audit and Control – delivering effective and compliant programmes in Wales.
Role of Relevant Partners

Relevant partners involved in the preparation of the operational programme

MINISTERIAL ADVISORY GROUP ON EUROPEAN PROGRAMMES 2014-2020

Partners:
- British Telecom (private sector)
- Cogitamus (private sector)
- Equality and Human Rights Commission (equalities)
- Swansea Council for Voluntary Service (third sector)
- Swansea University (higher education)
- Torfaen County Borough Council (local government)
- Plus representatives from key Welsh Government spending departments

EUROPEAN PROGRAMMES PARTNERSHIP FORUM (2014-20)

Partners:
- Bangor Mussel Producers Ltd (fisheries / private sector)
- Barsby Associates (Institute of Directors)
- British Telecom (private sector)
- CBI Wales (employers organisation)
- Cardiff University (higher education)
- Equality and Human Rights Commission (equalities)
- Forestry Commissioner for Wales (environment / rural)
- Grahame Guilford & Co Ltd (private sector)
- Gower College (further education)
- Job Centre Plus (employment)
- National Institute for Continuing Adult Education (education)
- National Trust (environment/rural)
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- Torfaen County Borough Council (local government)
- Wales Commissioner for Sustainable Futures (environment)
- Wales Co-operative Centre (third sector)
- Wales Council for Voluntary Action (third sector)
- Wales TUC (workers organisation)
- Welsh farmers (agricultural)
- Welsh Local Government association (local government)
- Working Links (employment)
- Plus representatives from key Welsh Government spending departments
Role of Relevant Partners

POST 2013 WORKSTREAMS

(i) Operational Programmes Workstream

Partners:
- Anglesey County Council CBI Wales (employers organisation)
- Cardiff County Council (higher education)
- Chwarae Teg (third sector)
- Countryside Council for Wales (environment/rural)
- Cynnal Cymru-Sustain Wales (environmental / sustainability)
- EEF Cymru (manufacturers’ organisation)
- Higher Education Funding Council for Wales (higher education)
- Job Centre Plus (employment)
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- RSPB Cymru (environment and countryside)
- Wales Co-operative Centre (third sector)
- Wales Council for Voluntary Action (third sector)

(ii) Delivery and Compliance Workstream

Partners:
- Arts Council of Wales (arts)
- Bridgend County Borough Council (local government)
- Countryside Council for Wales (rural)
- Gower College (further education)
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- Wales Council for Voluntary Action (third sector)

(iii) Monitoring and Evaluation Workstream

Partners:
- Bridgend County Borough Council (local government)
- Countryside Council for Wales (environment/rural)
- London Economics (private sector consultancy)
- Monmouthshire County Council (local government)
- National Trust (environment/rural)
- Swansea University (higher education)
- Wales Council for Voluntary Action (third sector)
- Welsh Local Government association (local government)
Reduction of the Administrative Burden

536. Significant progress was made in reducing the administrative burden for beneficiaries under the 2007-13 programmes. This has involved the introduction of new working procedures around the introduction of the PPIMS IT system which led to the harmonisation of processes across structural funds and enables beneficiaries to input operation data directly via a web based portal. This has resulted in common processes, the improved exchange of documentation together with efficiency gains and quicker processes and payments to beneficiaries. The current round of programmes has also seen the establishment of the Project Development Officer model. This has involved a single officer as a primary point of contact for beneficiaries throughout the application, development and post approval stages.

537. A customer insight survey[^118] was undertaken by WEFO in 2009 which sought the views of beneficiaries on administrative procedures and processes involved in applying for and managing EU operations. There was general support for efficiencies resulting from many of the web based improvements introduced for the 2017-13 funding round together with support for the concept of the Project Development Officer. Some concerns were raised over the bureaucracy involved in applying for funding (decisions could be made earlier involving less form filling) and over the accessibility and technical language in some of the guidance.

538. The Welsh Government is building upon previous developments and addressing feedback from beneficiaries for the 2014-2020 programmes by maximising integration and harmonisation opportunities wherever possible in order to assist delivery and further reduce the burden for beneficiaries.

539. This will include a streamlined application and assessment process involving a series of gateways and decision points over the eligibility of operations together with further enhancements to PPIMS. This will include a single online gateway for potential beneficiaries to access all ESI funds, which will direct potential beneficiaries to a specific Thematic Objective team and facilitate the selection of the optimal funding instrument(s) and delivery mechanism, whilst respecting the demarcation lines between funds.

540. Harmonised national eligibility rules for ESI funds and common supporting guidance will be in place for all organisations in Wales receiving funds from ERDF, ESF and the EAFRD, other than where eligibility rules have been determined by fund-specific EC legislation. This will represent a significant simplification for beneficiaries in Wales and builds on the Commission’s common eligibility provisions in the

Reduction of the Administrative Burden

Common Provisions Regulation for matters such as durability, revenue generation, and simplified cost options. The harmonised eligibility rules will be agreed and published and easily accessible via the WEFO website in 2014.

541. In addition, Wales intends to encourage the take-up of simplified cost reimbursement options (lump sums, flat-rates, unit costs) by making all legislative options available to potential applicants, issuing detailed guidance, and running training workshops with representatives from key sectors to understand and address the barriers to take-up. It is expected that flat-rate costs in relation to reimbursement of indirect costs will be of particularly interest to Welsh beneficiaries.

542. The extent of the shift towards a more results-based reimbursement system (lump sums, unit costs) will also depend on the provisions of the cohesion policy legislative package, the suitability of the EC standard rates, and the implementation guidance from the Commission. The overarching principle when considering options for simplifications will be adopting mechanisms which are best suited to the Welsh context and to maintaining the successful and compliant delivery of structural funds programmes in Wales.

543. Welsh operations will also benefit from a reduction in administration by Welsh Government implementing in full the EC simplification measures, such as shorter document retention periods, flat-rate revenue generation calculations, and protecting operations against duplication of audit activity from both the Audit Authority and European Commission in the same year.
## Glossary of Common Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS</td>
<td>Annual Population Survey</td>
</tr>
<tr>
<td>BME</td>
<td>Black Asian and Minority Ethnic people</td>
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<td>CBI</td>
<td>Confederation of British Industry</td>
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<td>CLLD</td>
<td>Community Led Local Development</td>
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<td>CPP</td>
<td>Commission Position Paper</td>
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<td>CSF</td>
<td>Common Strategic Framework</td>
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<tr>
<td>CSRs</td>
<td>Country-Specific Recommendations</td>
</tr>
<tr>
<td>CTT</td>
<td>Cross Cutting Themes</td>
</tr>
<tr>
<td>CV</td>
<td>Curriculum Vitae</td>
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<tr>
<td>DWP</td>
<td>The UK Government’s Department for Work and Pensions</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>EC</td>
<td>European Commission</td>
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<td>EIA</td>
<td>Equality Impact Assessment</td>
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<td>EMFF</td>
<td>European Maritime and Fisheries Fund</td>
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<td>EPF</td>
<td>Economic Prioritisation Framework</td>
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<td>EPPF</td>
<td>European Policy Partnership Forum</td>
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<td>ERDF</td>
<td>European Regional Development Fund</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ESL</td>
<td>Early School Leaving</td>
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<td>ESI</td>
<td>European Structural and Investment</td>
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<td>EU</td>
<td>The European Union</td>
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</tbody>
</table>
### Glossary of Common Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU2020</td>
<td>Europe 2020</td>
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<tr>
<td>EW</td>
<td>East Wales</td>
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<td>FLAGs</td>
<td>Fisheries Local Action Groups</td>
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<td>FTE</td>
<td>Full Time Equivalent</td>
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<tr>
<td>GCSE</td>
<td>General Certificate of Secondary Education</td>
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<td>GVA</td>
<td>Gross Value Added</td>
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<td>HPW</td>
<td>High Performance Working</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<tr>
<td>IP</td>
<td>Investment Priority</td>
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<tr>
<td>ISCED</td>
<td>International Standard Classification of Education</td>
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<tr>
<td>ITIs</td>
<td>Integrated Territorial Investments</td>
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<tr>
<td>LAG</td>
<td>Local Action Group</td>
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<td>LSOAs</td>
<td>Lower Super Output Areas</td>
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<td>LMI</td>
<td>Labour Market Intelligence</td>
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<tr>
<td>MA</td>
<td>Managing Authority</td>
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<tr>
<td>NEET</td>
<td>Not in Education, Employment, or Training</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non Governmental Organisations</td>
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<tr>
<td>NQF</td>
<td>National Qualification Framework</td>
</tr>
<tr>
<td>NRP</td>
<td>National Reform Programme</td>
</tr>
<tr>
<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Co-operation and Development</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<td>ONS</td>
<td>Office for National Statistics</td>
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<td>OP</td>
<td>Operational Programme</td>
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<td>PISA</td>
<td>Programme for International Student Assessment</td>
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<td>PDO</td>
<td>Project Development Officer</td>
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<td>PMC</td>
<td>All-Wales Programme Monitoring Committee</td>
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<td>PSED</td>
<td>Public Sector Equality Duty</td>
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<td>RDP</td>
<td>Rural Development Plan</td>
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<td>RME</td>
<td>Research, Monitoring and Evaluation</td>
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<tr>
<td>R&amp;I</td>
<td>Research and Innovation</td>
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<tr>
<td>SEA</td>
<td>Strategic Environmental Assessment</td>
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<td>SET</td>
<td>Specialist European Teams</td>
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<tr>
<td>SI</td>
<td>Social Innovation</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Sized Enterprises</td>
</tr>
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<td>SO</td>
<td>Specific Objective</td>
</tr>
<tr>
<td>STEM</td>
<td>Science, Technology, Engineering and Mathematics</td>
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<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, and Threats</td>
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<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TO</td>
<td>Thematic Objective</td>
</tr>
<tr>
<td>UKCES</td>
<td>UK Commission for Employment and Skills</td>
</tr>
<tr>
<td>WEFO</td>
<td>Welsh European Funding Office</td>
</tr>
<tr>
<td>WIMD</td>
<td>Welsh Index of Multiple Deprivation</td>
</tr>
<tr>
<td>WWV</td>
<td>West Wales and the Valleys</td>
</tr>
</tbody>
</table>
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