

Economic Development and Transport Committee

Date: 22 September 2004
Time: 9.00 to 12.30
Venue: National Assembly for Wales, Cardiff Bay
Title: Review of Economic Inactivity – summary of views and possible recommendations

Purpose of paper

To provide the Committee with a summary of the views presented by witnesses to enable Members to consider their recommendations.

Action

The attached note is presented as a draft outlining the main conclusions and recommendations emerging from the Committee's evidence taking and discussions.

Members are invited to consider this and to indicate which it wants included/excluded in the final draft report.

John Grimes

Clerk

Economic Development and Transport Committee Review of Economic Inactivity

Focus on Key Issues

Following the consultation exercise, the Committee considered the many interrelated issues surrounding the problem of economic inactivity and the work currently being undertaken by the various levels of government and other bodies. Conscious of the wide-ranging nature of the issues, the Committee

decided to focus on a number of key areas where it was considered that practical recommendations might be proposed.

However, there was one important overarching issue that Members felt could not be categorised within the specific key issues explored below, namely that of demand. Witnesses stressed that in tackling economic inactivity it was important to address both supply and demand issues. There would be no merit in encouraging people to return to work if the opportunities did not readily exist. Hence, the importance of encouraging sufficient demand in tandem with breaking down other barriers to employment was emphasised.

The Committee was aware that many barriers exist which inhibit the transition from inactivity into work, and that these barriers were often cultural as well as practical. Although it was not possible to consider all of the barriers faced by the inactive in the scope of this review, a number of specific barriers were highlighted as being of particular concern, and these are dealt with below.

The Costs of Entering Employment

Witnesses detailed the way in which the benefits trap acted as a major barrier to re-entering the workplace. The low marginal benefit of returning to work could mean that employees might earn only an extra £5 above their usual benefits for a week's work.

In addition to those low marginal benefits of earned income, Members also heard that those re-entering employment could face additional costs for transport, lunches and clothing during the first four to six weeks of taking up a new job. This can be especially problematic in situations where there was a delay in paying 'in work' benefits such as tax credits. The Committee heard that Jobcentre Plus were looking at a 'back to work' bonus scheme which would pay around £40 a week for a short period and would not impact on other benefits.

Potentia highlighted the Enterprise Rehearsal Project, which offered a 12-month passport back to benefits if a business is unsuccessful. However, there is no similar scheme for those claiming Income Support. This meant that people risked the loss of benefits such as housing benefit and free prescriptions if working more than 16 hours per week.

Possible Recommendations:

That the Committee supports piloting the use of a 'back to work' bonus scheme to provide financial assistance during the difficult first few weeks of re-employment to those re-entering the labour market.

That the 'passport' back to benefits should be rolled out and piloted among other groups of inactive, especially those for whom re-entering the labour market is a particular risk, such as those suffering from ill health, or low self-esteem and depression. The Department for Work and Pensions (DWP) should ensure that awareness amongst both staff and clients of the opportunities presented is increased.

Internal and External Barriers

Members were informed that common internal and external were barriers faced by the economically inactive. Internal barriers were those such as a lack of relevant skills and low business confidence, whereas external factors were those such as funding and premises.

Potentia explained that government policies tended to miss the soft issues surrounding internal barriers, even though the barriers they created were often substantial. A number of internal barriers identified by Potentia while working with clients included:

A lack of relevant skills and business experience.

Limiting personal circumstances (especially the lack of flexible, affordable and quality childcare for self-employed parents).

A lack of credibility within the business environment.

Low personal and business confidence.

A tendency to be dependent on benefits or grants.

Overcoming the attitudes and assumptions in terms of stereo-typing and cultural differences.

Although a lack of skills had been highlighted on several occasions, as had the need to match those skills to the needs of employers, it was the lack of soft skills which was often considered to be the most important skills issue to be addressed. Witnesses identified team-working, attitudes to work and society, and basic numeracy and literacy as particularly important issues.

The Committee heard that people brought up in high unemployment communities often had an 'unemployment mentality'. While there was a higher incidence of people on incapacity benefit in traditional mining and steel working communities, a large proportion of those claiming were not people who had worked in those industries but the following generation. Witnesses explained that this was because in depressed areas there was often an expectation within a community by the younger generation that they would not work.

Barriers caused by perception and prejudice can be manifested in both employers and employees. Employees are often unaware of employment opportunities, or may feel that certain jobs are not open to them; while employers often have poor perceptions of potential employees or believe that the skills they need do not exist in certain communities. In breaking down perceptions, witnesses considered that 50 jobs in an inactivity black spot could encourage more people to work and have more long-term benefit than 100 jobs spread across Wales.

The point was made that, while there was a range of barriers to economic activity, these were different for each individual. Moreover, individuals reacted to similar barriers in different ways. Consequently, there was a need to deal with everyone on an individual basis. However, the lack of available resources meant that there can be difficulties in providing help in such an intensive way.

Members agreed that if cultural barriers, in particular, were to be broken down this would require the involvement of the private as well as the public sector.

Potentia highlighted a number of external barriers faced by clients in setting up in business:

Access to funding due to the lack of capital assets and track record to secure funding.

Access to appropriate and reasonably priced business premises, especially for those wishing to grow or move from their home base.

Access to business information, support and advice, especially when dealing and accessing the plethora of business agents.

Local economic conditions and infrastructure, especially for groups located in rural and economically deprived areas.

In helping and encouraging the inactive into self employment, Potentia said that Wales needed both 'lifestyle' and 'growth' businesses. Potentia also emphasised the need to target specific problem areas, focus on resolving them, and the importance of partnership working.

Possible Recommendations:

That programmes should focus on the internal barriers faced by individuals. Programmes should factor in the development of soft skills such as confidence building and interpersonal skills. Efforts should also be made to tackle the perceptions among both the inactive and employers which encourage a worklessness culture.

That resources should be made available to enable community based action, and schemes should be developed which encourage private sector involvement.

Caring

As childcare providers, Tiddlywinks explained that one of the major barriers to setting up and running a childcare service was the lack of help with start up costs and ongoing revenue support to ensure sustainability of childcare facilities.

The difficulties in registering a new project were highlighted. Witnesses explained that new standards had meant a mass of paperwork, while there had been a lack of flexibility given that the Care Standards Inspectorate was also struggling with a new role. Although there was recent evidence that flexibility had improved, witnesses expressed the opinion that a lot of individuals were still put off setting up childcare facilities because of the level of bureaucracy in the early stages. However, Chwarae Teg informed the Committee that a WDA scheme, run in conjunction with the National Childminders Association, had helped people wishing to register new businesses.

The need to raise the status of childcare providers was raised with the Committee, though it was acknowledged that raising the quality of training and improving pay while still providing affordable childcare was a difficult issue to address. Tiddlywinks explained that the voluntary sector had had huge difficulties in accessing funding for training and had received no support from ELWa.

Witnesses also raised the point that there was a lack of male childcare workers, and that this might be an important issue insofar as they could provide valuable role models to children, especially for those being raised in single parent families, normally by the mother.

Members also heard that there had been an increasing demand for welsh medium nurseries from both welsh speakers and learners who wanted their children to be educated in welsh medium schools. The recruitment of bilingual staff was proving to be a difficulty, and part of the reason for this was seen to be the lack of bilingual training for care workers.

Chwarae Teg informed the Committee that they had strong evidence that parents of children with disabilities or special needs wanted their care to be mainstreamed wherever possible, although this required special skills amongst care workers. Some examples of good schemes existed, such as the Step-to-Step scheme in Neath Port Talbot which provides mainstream care for children with special needs from birth to 16. However, no recognised qualifications exist for carers in this area, and salaries could not compensate for those additional skills.

Witnesses told Members that while a lot of childcare was provided 'informally (i.e. using family and friends) it was felt that there was a need and opportunity to support this. Members heard that ELWa were preparing a report for the ELL Minister on childcare including the barriers to participation in learning.

Chwarae Teg added that, while much of the public debate about childcare provision centred on day-care nurseries, there was also a severe lack of registered childminders, particularly in rural areas and the south Wales valleys, which already suffered from a lack of day-care facilities. Chwarae Teg suggested that there was a need to find a range of solutions for individual families and to do this it was necessary for the private, public and voluntary sectors to work together.

The Wales Co-operative centre informed the committee that there were currently three child care co-operatives in Wales, and that co-operatives rely on a certain number of children using the service to be

successful. As was the case for Tiddlywinks, it was explained that the lack of start up funding and tight profit margins caused particular difficulties for co-operatives to provide childcare facilities.

The issue of ‘wraparound’ care was also raised - ie care before and after school and during school holidays.. Witnesses stated that very little progress had been made with this. Members heard at an early stage in the review that there was strong evidence that After-School Clubs and Holiday Clubs raised academic attainment levels as well as soft skills. Tiddlywinks added that they offered this care through its Breakfast and After School Clubs and demand was extremely high. They emphasised that the increasing need for different patterns of childcare as work patterns change to accommodate ‘24 hour opening’ and shift work.

A number of possible solutions were put forward to Members. The Committee heard that flexible working arrangements, such as part-time and flexible working hours can help people in caring for others. However, although large firms can often offer assistance in flexible work patterns and other care issues, it was not so easy for Small to Medium Sized Enterprises (SMEs), and this potentially created a bigger problem in the valleys where there were proportionally more small firms.

The submissions on childcare issues were especially welcomed by the Deputy Minister, who has been chairing the task force on childcare, which has been set up since the Committee identified childcare as an issue for examination in this Review. He said he welcomed written submissions. He recognised the need to drive forward the childcare agenda in Wales to ensure that children in all parts of Wales had access to affordable, accessible and sustainable childcare.

Possible Recommendations:

The Committee recognises that much of the problem of economic inactivity was associated with older, unskilled men, and that increasing the provision of childcare was unlikely to impact greatly in the short term. However, there is strong evidence to suggest the importance of early interventions in a child’s life as a means of combating subsequent disadvantage and its associated potential for inactivity in the long term. It was considered that Childcare was an important element within this.

That ways should be explored to increase the number of childcare opportunities, especially in valley communities. In particular the public, private and voluntary sectors should be encouraged to work together to provide childcare capacity in and out of normal working hours.

That the economically inactive should be encouraged to undertake childminding activities as a step towards finding long term employment.

Childcare provision by Intermediate Labour Markets (ILMs) should be considered where a need for childcare provision was identified and the market cannot support private provision.

The opportunities for both the voluntary sector and ILMs should be considered in providing training for

carers within the childcare profession.

That the Assembly Government should do more to promote childminding activities and encourage people to set up as registered childminders.

That consideration should be given to providing greater support and guidance to potential childcare providers in dealing with necessary bureaucracy, and that ways to reduce bureaucracy should be investigated.

That special consideration be given to training for minding children with special needs.

That the Assembly Government should consider the current after-school and school holidays provision for older children, and investigate ways in which this can be improved.

That ways to make childcare more affordable be considered.

Transport

There was a widespread view that transport problems can act as a major barrier to employment both in rural areas and the valleys, and that the problems faced by individuals are particularly acute for those working alternative shift patterns or travelling to industrial estates sited out of town. Transport problems can be further exacerbated by the inability to move house – particularly for people trapped in low value houses in relatively isolated areas.

The Community Transport Association (CTA) emphasised that the needs of communities have to be understood for schemes to be successful. They saw community transport schemes as an important way of addressing weaknesses in public transport provision and a need for flexible routes to be developed.

The CTA talked about the difficulties in providing community transport and the need to rely on voluntary drivers, especially where transport was required for those working unsociable hours. Nonetheless, it was stressed that most drivers were paid workers, and that this benefited the community further in terms of local employment. Funding was also considered to be a barrier to setting up schemes, as to be effective it needed to last for a 3 to 5 year period to be effective.

The need to create partnerships was raised, in particular the need to work with WAG to develop enterprise in the community.

The view was also expressed that solutions lay beyond the provision of public transport, and that there was a need for creative travel solutions involving car sharing and cycling. In creating solutions, witnesses were mindful of the constraints of satisfying green transport policies.

Merthyr Tydfil County Borough Council explained how it ran a project aimed at both transport for the inactive, and at young people lacking skills, confidence and with low employment prospects. The scheme included leasing vehicles to individuals to travel to employment that was not accessible by public transport. It also enabled young people who had had poor school opportunities or were on the fringes of crime to participate in an alternative practical educational programme in repairing and maintaining vehicles for the scheme. In the longer term it was hoped that local health boards and social services might buy into the scheme to secure long term funding. WAG, the Youth Justice Board and Objective One funding currently finance the scheme.

Possible Recommendations:

The Committee is aware that, given the high levels of inactivity within inner city areas, it is unlikely that transport in itself represents major barrier to employment. However, often relatively small obstacles prevented transport being available, with a huge knock on effect for individuals within communities. Although poor transport opportunities can be considered to be more of an issue of social deprivation, such problems are believed to have wider implications to society, contributing to the cycle of disadvantage, including inactivity, that can become manifest in future years. Members are not convinced that rural proofing is in itself a priority because there are equally serious transport issues in the South Wales valleys which community transport could help resolve. The opportunity for better links with, and sponsorship of schemes by, partners in the private sector should be investigated.

That consistency of funding was a concern and alternative funding arrangements ought to be considered, such as Service Level Agreements and Communities First funding. Private company partnerships and/or sponsorship could also assist with funding concerns.

That ways of improving the timing of local buses should be considered. In some areas bus services finish too early in the day to be used by those commuting to and from work. Ways of co-ordinating the timetables of public transport to those within the community transport sector should also be developed.

That the wider economic benefits of an effective transport system be considered. Assisting people to travel to hospital and surgery appointments, via community transport, can save on wasted NHS costs resulting from missed appointments and can also help people get back into employment sooner. Furthermore, community transport schemes could themselves be an important source of employment in the local community.

That a strategic approach towards training via the Youth Justice system be considered.

That the opportunities for local authorities to allow community transport schemes to use their fleet of vehicles when they were not in service be considered.

The transition Into employment: Intermediate Labour Markets and the Voluntary Sector

Given the large number of barriers faced by the economically inactive, and in particular considering that barriers can often be internal as well as external, witnesses expressed a need to create programmes which provided a smoother transition from inactivity into employment. In particular witnesses supported the use of a broader range of community based support networks.

There was a call to encourage a linear shift from voluntary, to co-operative, to social enterprise, and on to mainstream business, as stages of entrance to the labour market in order to reduce the fears and negative perceptions associated with the risks of re-entering the labour market.

In particular, contributors highlighted the benefits of using intermediate labour markets and the voluntary sector as providing an enabling and supportive role at the community level.

Again, the Committee heard the view that policies need to focus more on communities rather than taking a blanket approach, and that those efforts should be focussed on wider community regeneration and at tailoring policies to specific areas based on their own particular needs. Witnesses stated that outside organisations, such as the WDA and ELWa, were often seen as too prescriptive in dealing with inactivity issues, and that community organisations might be better placed to help the transition from inactivity into employment.

In support of this view, Jobcentre Plus has found that it was more effective to focus specific schemes on communities and employers rather than adopt a scattergun approach. Whilst they often take the lead role in tackling economic inactivity in an area, the problem was too large for any one agency to tackle alone and increasingly a partnership approach has been adopted involving others such as the WDA and ELWa.

Witnesses also emphasised the important role that Local Authorities have in working at the community level.

The Committee heard about the broad range of opportunities afforded by Intermediate Labour Markets (ILMs). Being closer to their communities, it was argued that ILMs have greater knowledge of the requirements of those communities and understand the barriers that those communities face. Furthermore, it was considered that ILM projects can be targeted at the needs of the local labour market, and can provide skills in situations where the private sector may be unable or unwilling to provide training and where skills shortages exist.

Witnesses also hold the opinion that training provided by ILMs, even where mainly vocational, appears to encourage clients to adopt a broader set of skills, transferable beyond the immediate area of training. Soft skills such as team-working, time-keeping and initiative; core skills such as literacy and numeracy; and life skills such as financial management; were recognised as being potential benefits of the ILM programme.

The Committee also heard that activities and support provided by ILMs appeared to be of help to the

inactive where problems of anxiety and depression associated with being detached from the labour market exist. The gaining of qualifications during the programme was considered to be especially helpful.

The potential wider benefits to society of ILM activities were highlighted, in that ILMs may help in regenerating communities, providing additional public services and contributing to environmental improvement. Furthermore, the services provided by ILMs may be beneficial to the local economy in that they may complement businesses in the private sector. For example, Members heard how the On Track bicycle rental service provides a bicycle rental service to tourists, thereby contributing to the tourism infrastructure within the local economy.

Although the Committee heard about the many potential benefits of using the ILM model, a number of weaknesses were also identified. There can be difficulties in recruiting suitable candidates onto the programme, as many people who are at some distance from the labour market do not appear to have the necessary attributes to enter the programme. As outlined at other points within the review, individuals' attitudes were cited as a particular issue which needed to be addressed. Although the hospitality industry appears to offer a number of opportunities for ILM intervention, low wages are seen to act as a deterrent, even though this was an industry that often faces staff shortages.

Members also heard that it can often be difficult to set up a sufficient number of projects, as programmes have to be devised which avoid displacing employment from elsewhere within the economy. Furthermore, the costs of running ILM projects can be high, depending upon the needs of individual clients. However, the Committee were reminded that these costs may be offset to some extent by the wider economic, social or environmental benefits offered by the programmes.

Furthermore, the Committee heard that it can be difficult to build Labour Market Intermediary (LMI) partnerships, particularly among some local authorities that have tended to work in relative isolation from other local authorities.

Having considered the strengths and weaknesses of Intermediate Labour Markets, the Committee investigated further transitional routes into work, in the form of other community based organisations. In particular, the voluntary sector was seen as providing opportunities for providing a transition from inactivity into employment, as work experience can be provided in a risk free and supportive environment.

The Wales Co-operative Centre (WCC) informed the Committee of how groups of co-operatives were being encouraged to work together on recycling initiatives, thereby creating an internal market via horizontal integration.

The importance of developing a specific policy to support this kind of activity and then targeting action accordingly was emphasised by witnesses, as was the need for the public sector to use its procurement policies in a way that allowed small voluntary businesses to benefit. Witnesses also argued that it was

important for systems to be simplified to enable small enterprises to access funding.

In developing businesses, the WCC stressed the fact that it was important to work in partnership with other similar organisations such as the Wales Council for Voluntary Action (WCVA), CYLCH (*spell out precise title*) and Community Enterprise Wales, as well as the WDA and ELWa to raise awareness.

Possible Recommendations:

That routes should be developed that provide a more linear movement from inactivity into employment. In particular, programmes at the community level can create a more supportive environment for those facing greater risks and with a fear of re-entering the labour market. The voluntary sector should be given more support in offering an early stepping stone into the labour market.

That individuals should have an opportunity to experience employment without losing benefits. This passport back to benefits, and possibly other financial incentives, should be applied to community based programmes, especially voluntary projects in order to make work experience pay for those outside the labour market.

That mechanisms should be devised which ensure greater co-ordination and effort between local authorities, especially in the south Wales valleys.

The Committee recognises that there are a number of limitations in using ILMs to enable the inactive to enter the labour market. In particular, the problems of displacement and potential high cost of programmes means that such programmes should be carefully targeted. However, the use of ILMs was recommended for use where potential clients are at some distance from the labour market, and where other programmes would be insufficient to entice or compel individuals into employment.

That the Assembly Government considers the scope for ILMs to fill the gap in the need for transportation and childcare provision within certain communities.

That mentoring should be client orientated and specific to needs.

That the voluntary sector should be further supported by devising programmes to encourage greater horizontal and vertical integration between voluntary sector organisations.

That efforts be made to improve the image of social enterprise.

That funding to social enterprise be streamlined.

Healthcare

At an early stage of the review, the Committee heard that there was a large number of single-doctor practices in many valleys areas which had high levels of inactivity. These also tended to be served by older general practitioners. It was suggested that the Committee might consider doctors' attitudes to 'signing off' people from work, and ways in which doctors can better help the inactive to move into employment. It was perceived that doctors often sign people off if they are unable to do their current job, and that often there was no incentive for that person to be considered for a different type of work.

The British Medical Association (BMA) told the Committee that the factors behind the large number of people absent from work due to ill health were complex. These included longer waiting lists for operations and investigations, the reluctance of employers to allow employees back to work on light or reduced duties, and inherent levels of chronic illness in Wales. Furthermore, there were difficulties with regard to the Department of Work and Pensions' (DWP) capacity to assess sick people and roughly only one third of those referred to the DWP were actually assessed. A major improvement would come simply from increasing the number of occupational health specialists.

In relation to the number of people being transferred from unemployment benefit to sickness benefit, the BMA said that there was a greater stigma attached to being unemployed than being long term sick. In addition, some patients had visited their GP in the belief that the DWP had already decided they needed a sick note and it was difficult for the general practitioner to come to a different conclusion. It was suggested that a simple referral form, completed by the DWP, would make it clear to the patient and the GP that the referral was for the GP to examine the patient.

The Committee heard that the robustness of the local labour market had a major effect on economic inactivity, as some companies were able to offer alternative, lighter jobs to help people back into work. Furthermore, in areas where a variety of employment was available, people had more opportunity to find employment that matched their situation. This view supported the earlier comment that larger firms, often absent in areas of high inactivity, have the capacity to offer more flexible arrangements and opportunities to those that might otherwise fall into inactivity.

Calling for further information on preventative health care, Members were reminded that that the Welsh Assembly Government operates an award scheme for workplace health promotion in Wales called *Health at Work - The Corporate Standard*, as part of its drive to improve the nation's wellbeing.

The BMA commented that that public health officials were in a better position than GPs to promote preventative health measures because the key factors are better housing, education and exercise. These were outside the range of GPs' responsibilities and expertise. Nonetheless, better occupational health training for GPs might be considered and it was suggested that this be a recommendation for the report.

Possible Recommendations:

There is limited scope for GPs to intervene in the abilities of the economically inactive to move into employment. The need for preventative healthcare, often at the most basic level of housing, education

and exercise, was of utmost importance in enabling people to improve their own situation and from preventing individuals from entering inactivity, while a low income legacy leads to a vicious cycle of poor food, education, housing, income and poor health. GPs are not trained to any great degree in occupational health, and there was often limited capacity for doctors to deal with employment issues at any depth in surgery. Furthermore, the doctor patient relationship was one of trust, and there are difficulties faced in giving doctors tasks which might be in conflict with this relationship.

That the Welsh Assembly Government lobby the UK government to look into the matter regarding the difficulties associated with the Department of Work and Pensions' (DWP) capacity to assess sick people.

That moves should be made to improve the working relationship between GPs and the DWP. In particular, to prevent patients from visiting their GP in the erroneous belief that the DWP has already decided they needed a sick note. A simple referral form should be developed, to be completed by the DWP, to make it clear to the patient and the GP that the referral was for the GP to examine the patient.

That better occupational health training should be considered as a part of GPs training, although the Committee recognises that, given the intense training schedule already faced by GPs, increasing training in one area would be likely to impact on the ability to provide training in another.

That anxiety and depression are strongly associated with long term unemployment and inactivity, and that to address this there needs to be greater investment in counselling services.

That there should be greater use of occupational health specialists within communities and business.

That the Pathways to Work pilot be rolled out among other high inactivity areas in Wales.

Education and Training

ELWa was invited to inform the Committee of its programmes aimed at helping the inactive back into employment. They emphasised that economic inactivity was a deep-rooted problem that was not easy to resolve, and that a segmented approach was necessary to deal with the different categories of those who are economically inactive.

Although skills training was considered to be an important factor, it was this would not solve the whole problem on its own, and that multi-agency working was needed to help people re-engage with learning.

ELWa informed the Committee that from August 2004 there would be a Dual Running Year and a National Planning and Funding system to allow people in disadvantaged areas and those with special needs to have additional weighting.

Members wondered whether more priority should be given to early years education, and whether more should be done to promote post 16 education access courses. Concern was also raised that care should be

taken to ensure that colleges with smaller student populations would not be disadvantaged by the new funding system as costs per student in rural areas were higher due to a lower student to teacher ratio. As such, it was considered that sparsity and rurality weighting need rigorous analysis.

Members expressed the view that it was important to consider the needs of employers in providing training, and that these are particularly acute in the care, tourism and construction sectors. Members considered that these sectors might benefit from more emphasis on training and qualifications, and more should be done to encourage employers to provide and support skills training for their employees.

ELWa made the point that it was not just a case of training people for specific jobs, but that there was a lead up time in training those who are to provide the training. Hence there will be delays between identifying a skills gap, and providing individuals with the necessary skills. As generalists, ELWa emphasised the need to work with other bodies in providing the skills needed within specific sectors. ELWa also made the point that, as many low skilled individuals have been 'turned off' training at an early age, it was necessary to encourage firms to provide, and further invest in, training.

Members considered the ReAct programme, designed to help redundant workers gain new skills, overcome obstacles and improve the chances of returning to work quickly. Members felt that potential beneficiaries of the programme should be targeted earlier, perhaps while they are serving out their notice period, to encourage take-up of the programme. Members also considered that more emphasis should be placed on multi-agency working with the Basic Skills Agency, Jobcentre Plus and WAG.

Possible Recommendations:

The Committee recognises the importance of ensuring that school leavers have the necessary formal skills to progress into future employment, and also with the attitude to enable the transition into the world of work.

That rigorous analysis should be required to justify any particular programmes reflecting geographical issues related to accessibility.

That different models should be considered in the local provision of Post 16 education.

That the Assembly Government investigates ways in which it can take on the difficult challenges in reaching potential learners.

That the Assembly Government does more to actively engage employers in workplace learning programmes.

That there was more emphasis on providing training for low-skilled learners, as most of the training currently delivered was considered to be aimed at the more highly skilled as it was easier to deliver and easier to achieve 'success'.

That the Assembly Government should ensure that the ReAct programme was taken into workplaces early on, when job losses are announced, to ensure maximum take-up of the programme and maximum benefits in the time before job losses occur.

That programmes are implemented to ensure that there was a supply of skilled trades occupations when and where they are needed.

That a sectoral approach to learning provision was devised to enable the best use of resources.