

Economic Development and Transport Committee

EDT2 10-05 p2

Date: 14 July 2005

Time: 2.00pm – 4.30pm

Venue: Committee Room 1, National Assembly for Wales, Cardiff Bay

Title: Written Statement in Response to the Committee's Report, "Economic Inactivity in Wales"(April 2005)

Purpose

1. In accordance with the Protocol for the Welsh Assembly Government's responses to Subject Committee Reports, the Written Statement in response to the Committee's Report, "Economic Inactivity in Wales" (attached as an Annex) is being brought to the Committee, to be noted.
2. The Written Statement was circulated to all Assembly Members on 18 May, and I subsequently made an Oral Statement in Plenary on 24 May.

Action

3. To note the Written Statement and the action proposed in response to the Committee's report

Andrew Davies

Minister for Economic Development and Transport

Annex

CABINET WRITTEN STATEMENT

TITLE: Written Statement in response to the Economic Development and Transport Committee's Report, "Economic Inactivity in Wales" (April 2005)

DATE: 17 May 2005

BY: Andrew Davies, Minister for Economic Development and Transport

Purpose:

To present the Welsh Assembly Government's response to the Economic Development and Transport Committee's Report, "Economic Inactivity in Wales" (April 2005)

Responses to the Report's recommendations are set out below.

Recommendation 1 (paragraph 4.2)

The Committee recommends that the Welsh Assembly Government analyses and presents the information already available on economic inactivity in ways that will allow a better understanding of the issues and potential solutions.

ACCEPT. Helping people into jobs, and in so doing raising economic activity levels, is one of the four key objectives of Wales: A Better Country. Supported through the work of Economic Advice Division, Statistical Directorate, the Economic Research Advisory Panel, and the work of the Task and Finish Group on Economic Activity, the Welsh Assembly Government has undertaken an extensive analysis of the underlying causes of economic inactivity in Wales. The report, Raising Economic Activity Rates, published in September 2004, explores in depth the factors contributing to the current level of economic inactivity in Wales, and sets out proposals for action, across a range of policy areas. The Welsh Assembly Government's Spatial Plan; the Skills and Employment Action Plan 2005; and the forthcoming A Winning Wales, set the framework and the detail for the Welsh Assembly Government's response.

Financial implications: None.

Recommendation 2 (paragraph 4.13)

The Committee considers that the evidence in support of a 'people-based' approach to problems of economic inactivity is overwhelming and strongly endorses it as the basis for helping people into work. It recommends that programmes should focus on overcoming the internal barriers faced by individuals.

ACCEPT. The report, Raising Economic Activity Rates sets out a range of cross-cutting recommendations and actions, aimed at tackling the mix of complex individual barriers faced by many of those who are currently economically inactive. It identifies action in the policy areas of education and training; health; transport; and childcare, ranging from short to long-term programmes. In practical terms, these recommendations influenced the Welsh Assembly Government's Spending Review in 2004, and specific action already in place for individual policy areas is set out in more detail later in this Written Statement.

The work undertaken with Jobcentre Plus over the last year to develop the multi-agency initiative, Want2Work results directly from the recommendations of the Raising Economic Activity Rates report. The initiative is funded in part through £11 million of European Social Fund support, and is aimed at delivering intensive assistance to help long-term benefit claimants who want to work, to find and stay in a job. It has been operational at a local ward level in the three local authority areas of Cardiff, Merthyr Tydfil and Neath Port Talbot since February of this year. To enhance the Jobcentre Plus services available to the individual, the support on offer will include advice and guidance on health matters and a bespoke in-work training package, provided by ELWa. The aim is to engage with a minimum of 4,000 people and help over 1,000 into sustained work, through the two to three-year lifetime of the initiative. Want2Work is being launched jointly, with Jobcentre Plus Wales and the Department for Work and Pensions, in Merthyr on 18 May.

Financial implications: None.

Recommendation 3 (paragraph 4.14)

The Committee was concerned about the difficulties economically inactive people face from external barriers and particularly, the problems arising from their lack of a track record and difficulty in accessing the support available generally. It recommends that the Welsh Assembly Government be more proactive in targeting this group with the help that is available. It also recommends that the Welsh Assembly Government identify and market programmes reflecting the particular circumstances of unemployed people, and that appropriately skilled, experienced and motivated staff are made available to deliver the programmes.

ACCEPT. The Welsh Assembly Government shares the economic and social objectives of helping people into work with the UK Government. Employment measures to help economically inactive people into work are delivered in Wales by Jobcentre Plus, under the Welfare to Work agenda and the New Deal programmes. Jobcentre Plus also works closely with employers to improve access to jobs for some of the most disadvantaged clients. The Welsh Assembly Government works in partnership with Jobcentre Plus to support these actions, and a number of measures to target help at the economically inactive are already in place. The Want2Work initiative and the Merthyr Tydfil Communities First Programme Bending pilot will both provide valuable information on how separate sectors (health; education and training; community; and voluntary) need to collaborate to engage effectively with the economically inactive client group, and to promote the range of support on offer to help them into

sustainable work. In addition, the Welsh Development Agency, through the Cyfenter research programme and Potentia, looks to help this client group to move into work, by providing routeways, through social enterprise and support to assist people in pursuing self-employment opportunities.

Financial implications: None.

Recommendation 4 (paragraph 4.19)

The Committee was impressed by the arguments in support of the £40 work credit to provide financial assistance and incentive for those re-entering the labour market. It recommends that, subject to the findings of the pilot, the Welsh Assembly Government presses the Department Work and Pensions (DWP) to introduce such a scheme.

ACCEPT. A payment of £40 per week for the first year in work, for those entering the labour market, is already in place, as part of the Department for Work and Pensions' Pathways to Work pilot, delivered in the Bridgend and Rhondda Cynon Taf Jobcentre Plus district since October 2003. DWP proposals for the roll-out of Pathways to Work in Wales include extending the pilot to Jobcentre Plus districts across South Wales, from April 2006 onwards. Financial incentives also include a Job Preparation Premium of £20 per week. Evaluation of the Pathways to Work programme by DWP will inform future development of Welfare to Work measures to support people into employment. Analysis of the rationale underpinning the introduction of both the in-work payment and the Job Preparation Premium have resulted in similar incentives being put in place as part of the Want2Work initiative, developed jointly by the Welsh Assembly Government and Jobcentre Plus Wales.

Financial implications: None.

Recommendation 5 (paragraph 4.20)

The Committee was impressed by the piloting of a safety net to encourage people, particularly those who have been on benefits for a long time, to take the 'risk' of trying an alternative. It recommends that the Welsh Assembly Government presses the Department for Work and Pensions (DWP) to introduce this 'passport' back to benefits more widely, in the light of the findings of the pilot.

ACCEPT. One of the significant barriers which exists for those leaving the relative safety of welfare to take up a job is the worry and uncertainty surrounding a successful transition into work. There are the fears that should the job not work out, a return to benefit may involve delays in receiving initial payments; an inability to claim the same package of benefits as was previously available; and possible sanctions as to why the job failed. Announcements in relation to the Welfare to Work agenda in the March 2005 Budget outlined proposals to simplify and improve the operation of the rules for Incapacity Benefit claimants, to provide them with a greater sense of security when considering a possible move into employment. The changes, to be introduced from October 2006, will allow former claimants to return to the same level of benefit, up to two years after taking up employment. Evaluation of the

Want2Work initiative will provide further information on the sense of security encouraged by the financial incentives, and the impact that these measures have on motivating people into work.

Financial implications: None.

Recommendation 6 (paragraph 4.30)

The Committee recommends that the Welsh Assembly Government, through ELWa as appropriate, undertakes a programme to encourage employers in the care, tourism and construction sectors to provide and support skills training for their employees through work place learning programmes.

ACCEPT. These sectors are among those identified in the Skills and Employment Action Plan 2005 as being of importance to the Welsh economy, and where there are opportunities to identify skills and economic development priorities and develop a coherent and strategic approach to address these issues. Working closely with the relevant Sector Skills Councils and other relevant organisations, the Welsh Assembly Government will agree joint approaches to meet the skills development needs of these sectors, including workforce development provided by employers, and through ELWa programmes, funded from existing budgets.

Financial implications: None.

Recommendation 7 (paragraph 4.31)

The Committee recommends that rigorous analysis be applied to justify any particular programmes to ensure geographical issues do not reduce the accessibility of training.

ACCEPT. ELWa reviews its learning programmes, in order to tailor them to client needs, across Wales. Recently-completed reviews have focused on FE land-based provision; Business Services; Welsh for Adults; and Work Based Learning, and a review of Adult Community Learning is currently underway. The National Planning Framework and Funding System (NPFS) includes a sparsity weighting, to take account of additional costs associated with provision in certain geographic locations. Non-HE post-16 provision will progressively be funded through the NPFS. ICT and e-learning have an important role in mitigating the effects on course availability and viability in areas where travel-to-learn distance is a significant factor. More generally, ELWa takes a view on demand for learning, when considering the availability and accessibility of provision in particular locations. In developing its Operational Plan, ELWa has regard to its Regional Statements of Needs and Priorities, in consultation with CCETs and its Regional Committees. As part of its support for the Welsh Assembly Government's 14-19 Learning Pathways agenda, ELWa is initiating a series of Geographic Pathfinder projects. The purpose of the Pathfinders is to review holistically learning provision within a defined spatial area, in order to identify prospects for the creation of more responsive, cost-effective learning opportunities. The first six areas in which the Pathfinders will start in 2005 are the Menai Corridor of Gwynedd/Ynys Mon; the Dyfi Valley; Pembrokeshire; Rhondda Cynon Taf; Merthyr Tydfil; and Blaenau Gwent. ELWa has recently launched

its Common Investment Fund (CIF) to encourage collaboration between providers, with CCETs playing a prominent role in identifying local issues and priorities. CIF will be available to underpin the Pathfinders and support local initiatives more generally, for the benefit of learners.

Financial implications: None.

Recommendation 8 (paragraph 4.32)

The Committee recommends that the Welsh Assembly Government ensures that factors such as social and economic deprivation are taken into account in the funding system for further education so as to ensure accessibility to courses in all areas.

ACCEPT. The pricing model in ELWa's National Planning Framework and Funding System (NPFS) incorporates cost weightings related to learner characteristics, including residence in an area of deprivation, as defined by the Welsh Index of Multiple Deprivation 2000. The purpose of the weighting is to ensure that providers receive funding which recognises the additional costs of educational deprivation. The NPFS will apply widely across non-HE post-16 provision.

Financial implications: None.

Recommendation 9 (paragraph 4.51)

The Committee recommends that the Welsh Assembly Government acknowledges fully the key role the voluntary sector has to play in facilitating movement from inactivity into employment and that the voluntary sector be given more support for the work it does in offering an early stepping stone into the labour market.

ACCEPT. It is acknowledged that the voluntary sector has an important role in this area. Substantial funding is already being provided. "Floating support" schemes under the Supporting People Revenue Grant are helping to tackle the "no home, no job" barrier (total funding for such schemes in 2005-06 exceeds £30 million). The Volunteering in Wales programme (funding of £912,000 in 2005-06) promotes volunteering activities, particularly involving unemployed people. The Wales: the Active Community and Support for Voluntary Intermediary Services programmes support projects to fund work with socially excluded and unemployed people, to improve their job prospects. The Millennium Volunteers programme (funding of £307,000 in 2005-06) encourages young people aged 18-24 to acquire new skills and knowledge, to improve their job prospects, as well as to develop personally.

In addition, as part of the enhancements to the New Deal 50plus programme (designed to improve the prospects for people aged 50 and over of progressing into, and staying in, employment) work is being taken forward with voluntary sector organisations, to improve the information services on back-to-work help available for people within this client group.

Financial implications: None.

Recommendation 10 (paragraph 4. 52)

The Committee endorses the approach of providing individuals with the opportunity of experiencing employment without losing benefits. It recommends that this approach be developed to encompass and encourage community based programmes, especially voluntary projects, to encourage and facilitate the broadest possible range of work experience for those outside the labour market.

ACCEPT. The Welsh Assembly Government recognises that many of this client group will have been out of work for some time, and that some may never have worked at all. The need to develop a range of soft skills will be the key to supporting the transition needed for a successful move into employment. Under existing arrangements for the majority of "inactive" benefits, claimants are allowed to work, or engage in some form of training, for up to 16 hours per week, without any impact on their benefit entitlements. Jobcentre Plus already engages with a range of community and voluntary organisations to provide a broad range of work experience opportunities for its clients. Delivery of the Want2Work initiative will enable closer working with Communities First partnerships and other local organisations, and will provide further information as to which links with voluntary organisations and projects are the most effective.

Financial implications: None.

Recommendation 11 (paragraph 4.53)

The Committee recommends that the Welsh Assembly Government develops mechanisms to ensure greater co-ordination between authorities in the development of Labour Market Intermediary (LMI) partnerships, especially in the South Wales valleys.

ACCEPT (IN PRINCIPLE). The Welsh Assembly Government acknowledges that Intermediate Labour Markets (ILMs) can play a role in helping people into work, but considers that their use needs to take account of local labour market conditions and needs to be carefully targeted, to have the greatest benefit. In the current economic climate, ILMs need to be able to support those "hardest-to-help" clients, who are at some distance from the labour market, rather than those who are closer to the labour market, for whom provision is already on offer through Jobcentre Plus. For the South Wales valleys area, the partnership established with local authorities through the programme team for the Heads of the Valleys strategy offers a forum for the collaborative working needed to secure economic and social growth across the region.

Financial implications: Not possible to assess, at this stage.

Recommendation 12 (paragraph 4.54)

The Committee recommends that the Welsh Assembly Government considers the scope for Intermediate Labour Markets (ILMs) to fill the gap in the provision of transportation and childcare within certain communities. In doing so, it stresses that the provision of childcare must be of the same high quality referred to elsewhere in this report and involve people who have been properly trained to deliver it.

ACCEPT (IN PRINCIPLE). The Welsh Assembly Government acknowledges that ILMs can play a role in helping people into work, but considers that such schemes are likely to be of greatest benefit if they are carefully targeted at those who are furthest from the labour market. Members of this client group may face multiple barriers to employment. It would therefore be challenging to reconcile effective targeting of ILMs with the Welsh Assembly Government's strong commitment to high quality provision.

This is particularly the case in respect of childcare, where the regulatory requirement in full-day care is to work towards 80% of staff having a Level 2 early years qualification, and in sessional care, 50% of staff. Research evidence also stresses the importance to children of the quality of the relationship with staff, which necessitates low staff turnover. Nevertheless, these requirements still provide opportunities for unqualified staff to enter the childcare profession. The Genesis Wales ESF project and Jobcentre Plus can help individuals to access such opportunities, especially in areas with childcare deficits. The Welsh Assembly Government can therefore consider further whether ILMs can make a contribution, while making no compromise on quality of provision.

Increasingly high standards are also evident in the community transport sector. Community transport offers the potential for good training, of a high standard, in driving; customer care; health and safety; and disability awareness, often leading to project and financial management. The Welsh Assembly Government will consider carefully with the transport industry the benefits and barriers to introducing ILM provision. It will be vital for all of the partners in community transport sector to play a full part in any process to use ILM provision.

Financial implications: Not known, at this stage.

Recommendation 13 (paragraph 4.55)

The Committee recommends that the Welsh Assembly Government works with the voluntary sector to develop it to fully meet its potential of reducing economic inactivity, with particular emphasis on funding and improving the image of the voluntary sector.

ACCEPT. The Voluntary Sector Partnership Council will examine this issue, as it prepares the new Strategic Action Plan for the Voluntary Sector Scheme. This will set the vision of how the voluntary sector should develop over the next five years, and clarify how the Welsh Assembly Government will support this (the target for completion of the Plan is November 2005).

The Welsh Assembly Government is already funding the key elements of the voluntary sector's

infrastructure, that is to say, the Wales Council for Voluntary Action; the 19 County Voluntary Councils; and the 34 Volunteer Bureaux. The Welsh Assembly Government is working with these agencies to transform this support into longer-term "core funding", linked to Service Level Agreements.

The Welsh Assembly Government is helping to communicate a positive image of the voluntary sector in several ways, principally by advocating more volunteering and citizen engagement in society. For example, a major campaign, "2005: The Year of the Volunteer", is in progress, to promote volunteering throughout Wales. The aims include challenging and changing the traditional image of volunteering. In addition, the Welsh Assembly Government is working in partnership with the voluntary sector to develop comprehensive national training provision for volunteers, so that people wishing to volunteer are supported to do so.

Financial implications: None.

Recommendation 14 (paragraph 4.71)

The Committee considers that investment in early years should be strongly targeted to children from deprived communities, and that the Welsh Assembly Government should provide funding for a children's centre in every deprived community across Wales as a first step towards universal coverage. The Committee also considers that the Welsh Assembly Government should further develop the monitoring and evaluation framework for the future, and benchmark the effectiveness of early years provision in Wales with that of schemes in other countries.

The Committee recommends that the Welsh Assembly Government actively promotes a significant increase in the availability of child care and, particularly, target it in those areas where it is needed most.

ACCEPT. The Welsh Assembly Government is investing strongly in early years, within the three-year budget period. Detailed consideration is being given to exactly how the investment should be targeted, but it is accepted that the focus should relate to children from deprived communities. The funding will allow for substantially more integrated centres, and elsewhere, well-evaluated, integrated early years services.

In terms of developing the monitoring and evaluation framework, the Foundation Phase, currently being piloted in Wales, will be fully evaluated, to ensure that an effective early years curriculum is in place for the 3 to 7 years age range. As the Foundation Phase is bedding down, a longitudinal study will be undertaken, which will evaluate the impact on performance and outcomes at the end of the Phase and into Key Stage 2.

The issue of promoting an increase in the availability of childcare will be the subject of the Welsh Assembly Government's forward strategy for childcare, due for publication in September. Resources will be in the main from Cymorth, including the childcare budget, supplemented by ESF, through Genesis Wales.

Financial implications: Not possible to assess, at this stage.

Recommendation 15 (paragraph 4.75)

The Committee recommends that the Welsh Assembly Government examine the scope to reduce further the burden of bureaucracy for people wishing to set up as childcare providers while still maintaining the necessary safeguards required by parents.

ACCEPT. This issue will again be addressed within the Welsh Assembly Government's Childcare Strategy. The quality threshold will not be lowered, but the Care Standards Inspectorate for Wales is reviewing its registration and inspection methodology, so as to reduce unnecessary burdens in practice.

Financial implications: Not known at this stage, but the expectation will be of an efficiency gain within the Inspectorate, and a reduced burden on new providers.

Recommendation 16 (paragraph 4.76)

The Committee recommends that the Welsh Assembly Government promotes and encourages childcare provision by Intermediate Labour Markets (ILMs) where a need for childcare provision has been identified and the market cannot support private provision.

REJECT. See the response to Recommendation 12. Where the market cannot support private provision, local Children's Partnerships are able to use their discretion to provide strategic support from Cymorth funds.

Financial implications: Not known, at this stage.

Recommendation 17 (paragraph 4.78)

The Committee recommends that the Welsh Assembly Government considers the whole range of child care provided, including after-school and school holidays provision for older children, and investigate ways in which this can be improved to match more closely the needs of parents.

ACCEPT. This issue will be addressed within the Welsh Assembly Government's forward strategy for childcare, due for publication in September.

Financial implications: Not possible to assess, at this stage.

Recommendation 18 (paragraph 4.79)

The Committee recommends that the Welsh Development Agency, or whatever replaces it in the future, works with companies to make them aware of the benefits of these facilities [ie childcare facilities] and to provide such incentives as are available for them to make the necessary investment.

It further recommends that the Welsh Development Agency explores ways to bring companies and private sector child care providers together to develop and expand the availability of this kind of facility in industrial areas.

ACCEPT. Currently, the Welsh Development Agency, as lead partner of the CWLWM (Childcare Wales Learning and Working Mutually) Development Partnership, is putting together a bid for ESF EQUAL funding to formulate a project to explore innovative ways of supporting the development of childcare provision. The project will develop toolkits for childcare businesses; carry out research into funding mechanisms (linking private and not-for-profit sectors); help employers to fund childcare provision; develop support mechanisms for the private sector; extend Welsh language provision; and develop work with Communities First partnerships.

Financial implications: None.

Recommendation 19 (paragraph 4.90)

The Committee recommends the Welsh Assembly Government looks for ways to develop links between community transport schemes and the private sector to deliver a service that more closely fits customers needs – and particularly those of people getting back into work.

ACCEPT. In response to encouragement, and funding, from the Welsh Assembly Government, many local authorities have already established posts dedicated to promoting community transport services locally, and have facilitated the setting up of local community transport fora. The Welsh Assembly Government has also encouraged authorities to bring together their transport functions, such that bus and community transport responsibilities are managed within a single unit. The intention is to promote greater awareness and co-ordination with local authorities. When considering applications to them for funding community transport projects, local authorities are expected to take account of the existing or planned pattern of bus services locally, to ensure the optimum co-ordination of services.

Increasingly, local authorities recognise the potential for community transport to provide, in effect, feeder services, linking up with timetabled bus services on main routes. This avoids the need for buses to run with relatively few passengers in, for example, the most rural areas, and instead enables services to be concentrated on core routes, offering a more cost-effective alternative to private cars.

The Welsh Assembly Government also funds PTI Cymru Limited to provide a comprehensive public

transport information service, under the traveline brand. Information about community transport is becoming more available to enquirers through this system, so that combined bus and community transport journeys can be considered. In addition, PTI Cymru operates the Modus personal travel planning system, offering door-to-door plans for public transport journeys. The company has been promoting the system to many employers, in both the private and public sectors. An indirect, but welcome, benefit of this scheme is that Modus analyses have identified travel patterns for individuals and groups of people that are not currently being met. These are being divulged to local authorities and public transport operators, with a view to introducing new services.

Financial implications: Not possible to assess, at this stage.

Recommendation 20 (paragraph 4.91)

The Committee recommends that the Welsh Assembly Government considers how it might provide more active support to community transport to realise indirect savings from, for example, fewer missed NHS outpatient appointments as well as through their direct contribution to the economy.

ACCEPT. Transport Policy Division is represented on the Welsh Assembly Government's group reviewing non-emergency patient transport services, along with other interested Divisions; the voluntary sector; and the community transport sector.

The group has invited expressions of interest from consultants, with a view to commissioning a review of non-emergency patient transport services. Transport Policy Division, along with the community transport and voluntary sectors, is already contributing to this work. Decisions about how to implement the EDT Committee's recommendation will be taken in the light of this review.

Financial implications: Not possible to assess, at this stage.

Recommendation 21 (paragraph 4.92)

The Committee recommends the Welsh Assembly Government undertakes a thorough review of the funding options available to community transport organisations.

ACCEPT. A thorough review of community transport in Wales was published in July 2002 (TAS consultants had undertaken this review, on behalf of the Welsh Assembly Government). The report was launched formally by the then Environment Minister, and its recommendations were widely disseminated. Since then, the Welsh Assembly Government has continued to publicise the report and encourage the implementation of its recommendations (which were grouped by sectoral interest).

The recommendations included maintaining Local Transport Services Grant (LTSG) as "the primary

funding mechanism for public (i.e. bus) and community transport, with flexibility for local authorities in its application." This has been done, and LTSG in 2005-06 amounts to more than £9.2m (well ahead of inflation) to help local authorities boost the number and range of subsidised bus services, as well as to provide support for community transport projects. Indeed, it is expected that each local authority will spend at least 5% of its allocation in support of community transport. Nevertheless, decisions about LTSG spending are for each local authority to take, reflecting its particular knowledge of local circumstances and priorities.

In addition, the report recommended that local authorities should maximise the extent and availability of voluntary sector community transport resources in their area, by promoting the availability of minibuses, and ensuring that all passenger vehicles under their own control were made available for community use, to the maximum reasonable extent.

Each Division and external organisation has been taking forward the appropriate recommendations, according to the identified priority, and its own assessment of need.

Financial implications: None.

Recommendation 22 (paragraph 4.93)

The Committee recommends that the Welsh Assembly Government works with community transport organisations and local authorities to consider ways through which community transport schemes might be able to use local authority vehicles when they are not in normal service.

ACCEPT. See the response to Recommendation no. 21.

Financial implications: None.

Recommendation 23 (paragraph 4.102)

The Committee recommends that the Welsh Assembly Government works with the UK government to develop more sensitive and more effective ways of assessing people's fitness for work.

ACCEPT. The Welsh Assembly Government has established links with the Department for Work and Pensions in relation to its "Five-Year Strategy", which embraces a range of issues linking health and work, some of which are outside the powers of the Welsh Assembly Government. The timescale will be in line with the implementation of DWP's "Five-Year Strategy".

Financial implications: If any, cannot be determined at this stage.

Recommendation 24 (paragraph 4.106)

The Committee recommends that the Welsh Assembly Government investigates ways to develop and improve medical and counselling services in relation to anxiety and depression where these are associated with long term unemployment and economic inactivity.

ACCEPT. Experience of implementing the DWP Pathways to Work pilot project in Bridgend and Rhondda Cynon Taf has clearly demonstrated how the use of a Health Condition Management Team can assist people with anxiety, depression and other problems affecting their mental health and well-being. This is particularly relevant, given the proposals to extend the Pathways to Work approach to some other parts of Wales, from 2006. In addition, the review of the National Service Framework for Mental Health will look at the general role of counselling, both in primary care and in the voluntary sector.

Financial implications: If any, cannot be determined at this stage.

Recommendation 25 (paragraph 4.107)

The Committee recommends that the Welsh Assembly Government reviews the availability of occupational health services in Wales and the way in which awareness of these is promoted to employers.

ACCEPT. The Health and Safety Executive has previously mapped the provision of occupational health training in Wales, and a review, which is currently being conducted, will update the Executive's report. The current mapping exercise will be extended, to include providers of occupational health services. The Corporate Health Standard can be used to raise awareness of training and service providers.

Financial implications: If any, cannot be determined at this stage.

Recommendation 26 (paragraph 4.108)

The Committee recommends that the Welsh Assembly Government looks at ways to make occupational health services available to small and medium sized enterprises.

ACCEPT. Financial provision has been secured (from 2007-08) to support a pilot project to explore the greater use of occupational health services. The financial implications of such provision will be included in the evaluation of the pilot.

The Health and Safety Executive has recently requested expressions of interests for its Workplace Health Direct pilot scheme, to provide occupational health services to small and medium-sized

enterprises. Officials have been engaged in trying to secure one of the pilots for Wales. The Corporate Health Standard is being redeveloped, to make it accessible to small and medium-sized enterprises, and support them in improving workplace health.

Financial implications: If any, cannot be determined at this stage.