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| Subject: | Inclusive Labour Market conference |
| Date: | 6 December 2023 |
| Reporting Officer: | John Greer, Director of Economic Development |
| Contact Officer: | Lisa Toland, Senior Manager, Economy |

Restricted Reports

Is this report restricted? Yes No

Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.

Insert number

1. Information relating to any individual
2. Information likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the council holding that information)
4. Information in connection with any labour relations matter
5. Information in relation to which a claim to legal professional privilege could be maintained
6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction
7. Information on any action in relation to the prevention, investigation or prosecution of crime

If Yes, when will the report become unrestricted?

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| After Committee Decision | <input type="checkbox"/> |
| After Council Decision | <input type="checkbox"/> |
| Sometime in the future | <input type="checkbox"/> |
| Never | <input type="checkbox"/> |

Call-in

Is the decision eligible for Call-in? Yes No

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| 1.0 | Purpose of Report/Summary of Main Issues |
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| 1.1 | The purpose of this report is to update members on plans for a conference to take place on 22 January 2024. The conference will focus on how to make the labour market more inclusive – with a particular focus on addressing economic inactivity. |
| 2.0 | Recommendation |
| 2.1 | <p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the report including details of the planned 22 January 2024 event focusing on inclusive labour markets • Promote the event to key contacts in their networks in order to ensure a wide representation and discussion at the event. |
| 3.0 | Main Report |
| 3.1 | <p>Members will be aware that funding for projects and organisations working with those who are economically inactive were significantly impacted with the cessation of EU funds. Traditionally, this work had been resourced through European Social Fund (ESF) funding. This concluded in March 2023. The replacement funding – Shared Prosperity Fund – does include a theme which focuses on People and Skills. The most significant element of this funding – around £50million – has been set aside for projects which focus on addressing economic inactivity. 18 projects were awarded funding for delivery through to March 2025 (from April 2023). 13 of these projects are based in Belfast (but some have regional coverage).</p> <p>3.2 As these projects mobilise for delivery, there are concerns around the sustainability of the funding model (which will run out in just over a year from now) as well as the ability of those projects, alone, to address a long-standing structural issue in the local labour market.</p> <p>3.3 In Belfast, economic inactivity presents a significant challenge for the city. The current economic inactivity rate for Belfast is around 29% - slightly ahead of the regional average. There are a number of reasons why people are economically inactive: students are counted among this figure as are those with caring responsibilities (looking after the family and home), health reasons and early retirees. While the inactivity rate is high, the overall unemployment rate for the region has decreased to an all-time low: figures for November 2023 show it sitting around 2.1%. What this means is that employers are competing within a limited talent pool. However the inactivity rate has never seen any real improvement over many decades – regardless of the prevailing economic climate and employment/unemployment rate.</p> <p>3.4 In more recent times, there has been a wider discourse around what solutions are needed to address the challenges of economic inactivity. This is a very complex problem that will require</p> |

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| | <p>a multi-faceted solution involving partners across many areas including health; skills support; economic development; social security and childcare support.</p> |
| 3.5 | <p>While DfC retains the policy remit for this area of work, the input from a wider number of partners means that sustainable solutions that make an impact can only be found if all partners get behind the issue and make long-term commitments in this space.</p> |
| 3.6 | <p>One of the reflections that we have identified is the absence of a clear understanding of the scale, nature and scope of the challenge. This inhibits the ability to have an informed discussion on potential solutions. In recognition of this, under the banner of the Belfast Labour Market Partnership, officers are planning to host an event at Ulster University's Belfast campus on 22 January 2024 entitled: Inclusive Labour Markets: Opportunities, Challenges and Solutions.</p> |
| 3.7 | <p>The aim of the conference is to facilitate discussion and instigate actions which can address economic inactivity and champion inclusive employment, stimulate an informed discussion of the need for and value of creating a more inclusive labour market and work towards a coherent solution that can improve outcomes for citizens and support a more competitive and productive economy.</p> |
| 3.8 | <p>The objectives of the event are to:</p> <ul style="list-style-type: none"> • Establish a shared understanding of the nature and scale of economic inactivity across the region • Establish a critical analysis of challenges and solutions within 'the system' • Develop a shared understanding of what is possible and what could be achieved through collaboration • Provide opportunities to learn from best practice, exchange knowledge and share ideas for the future • Identify key steps require to move towards a sustainable solution. |
| 3.9 | <p>The conference is intended to act as an opener for a much wider discussion on this issue. This is particularly important given the pending funding end-date in March 2025 and the need to ensure that a well-considered solution in developed and resourced to take over at that point.</p> |
| 3.10 | <p>Aligning with key policy and strategic priorities, including the Belfast Agenda, the Inclusive Growth Strategy, Levelling Up and 10X, the programme will include opportunities for discussions on a range of issues such as:</p> |

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| | <ul style="list-style-type: none"> • Opportunities for greater engagement between health and employment support services • Potential implications of further welfare reform • Re-skilling and upskilling support to encourage labour market participation and progress • A future investment model that can make an impact. |
| 3.11 | <p>A draft agenda can be found in Appendix 1. This is still in development and is subject to further changes as we work through it with our partner organisations.</p> |
| 3.12 | <p>The target audience for the event will include:</p> <ul style="list-style-type: none"> • Employer/business organisations: Chambers of Commerce, FSB, CBI, Software Alliance, CITB, NISCC etc. as well as local enterprise agencies and anchor institutions such as Belfast HSC Trust, Belfast Harbour • Government departments and agencies responsible for policy, commissioning and delivery: Department for Communities, Department for the Economy, NI Skills Council, Department for Levelling Up, Housing and Communities, Department for Health, Public Health Agency, Department of Justice, The Executive Office • Labour Market Partnerships (LMPs) across the region • Employability and skills providers and representative/support groups such as NICVA, UKSPF projects, Apprenticeships NI providers, FE colleges, Belfast Area Partnerships, VCSE panel, advice sector etc. • Other key stakeholders within the employability and skills field such as RSA, Institute for Employment Studies, IPPO, QUB, UU, ERSI, The Law Centre etc. • Academic input through universities, colleges and research institutes. |
| 3.13 | <p>In order to set the scene and ensure that the discussion is grounded in research and analysis, Ulster University’s Economic Policy Centre (EPC) team will undertake research in advance of the conference and this will be shared on the day. This research will focus on:</p> <ul style="list-style-type: none"> • Context and background: high level long-term trends in economic inactivity, identifying the social and economic implications, backdrop of demographic and labour shortage challenges, importance and success of third sector in working with key marginalised groups and need for creative solutions • Understanding the economically inactive: outlining definitions, levels and rates of inactivity in Belfast/NI, overview of headline reasons for inactivity • Medium term and post-pandemic picture: reasons for inactivity both medium term and post-pandemic; long-term sick (e.g. benefit system, reasons for sickness, severity of |

conditions, increased waiting lists, etc.), looking after family home (e.g. women overrepresented in unpaid labour, lack of flexibility in positions across all sectors/occupations, affordable childcare etc.), early retirees (e.g. 'great resignation' post-pandemic but broader need to retain older workers) and other

- Geographic concentration: outline the spatial composition of inactivity, highlighting inner city areas that perform particularly poorly on multiple economic indicators (e.g. inactivity, employment deprivation, multiple health conditions, poverty) and how these indicators link together to form at times entrenched concentrations over many years
- Demand-side insights: understanding where jobs are likely to come from; in what numbers; what skills levels they will require – and thinking about potential impacts for engaging those not currently actively engaged in the labour market
- Policy and employer solutions: begin to identify policy solutions and the need for creativity, including third-sector cooperation, cross-departmental approaches and employer engagement.

3.14

There will also be a contribution from Tony Wilson who leads up the Brighton-based think tank Institute for Employment Studies (IES) and who is currently working on the Commission for the Future of Employment Support. Tony has worked at the heart of UK government on a range of labour market and skills issues and has particular expertise in labour market policy and analysis, the design, delivery and evaluation of employment and skills programmes and supporting organisations to understand and apply evidence of “what works” in employment policy and service delivery. Tony was part of the team that developed the Employability NI model which had, at its core, the Labour Market Partnerships structure so he is very familiar with the Northern Ireland landscape.

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The event will also include an input from Andy Haldane, Chief Executive of RSA and former Chief Economist at the Bank of England. Belfast City Council has been working closely with the RSA over a number of years on projects such as Digital Badging.

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It is hoped that the conference can act as the start of a conversation about what needs to change to create the best conditions for achieving an inclusive labour market. It is expected that it will lead to further cross-sector engagement in order to drill into this complex issue and to try to identify sustainable solutions that can start to make an impact on what has been an intractable challenge for many decades. This has been identified as a priority area of work in the refresh of the Belfast Agenda.

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| 3.17 | <p><u>Financial and Resource Implications</u></p> <p>Funding for the event has been set aside within existing Employability and Skills and Labour Market Partnership budgets already approved by this committee. Ulster University is making the venue available free of charge.</p> |
| 3.18 | <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>The outcomes of this event are to try to identify solutions that can have a positive impact on equality and good relations as well as addressing other economic and social challenges. The event will include invitees from all across the region.</p> |
| 4.0 | <p>Appendices - Documents Attached</p> |
| | <p>Appendix 1: Draft conference programme</p> |