



<b>Subject:</b>	Employability and Skills Forward Planning
<b>Date:</b>	8 November 2017
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"><li>- Update Members on the proposed approach for Council to advance the Employability and Skills workstream through a phased approach, in line with Belfast Agenda commitments and the emerging priorities of the Belfast Region City Deal;</li><li>- Identify mechanisms for Elected Member engagement in the process of developing the key elements of this workstream</li><li>- Advise Members of the job creation impacts of the work to date (550 new jobs created in the first six months of the year) and the potential to increase the impact of this work,</li></ul>

	subject to partnership engagement and additional resources.
<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>- Note and approve the principle of the phased development of the Council’s Employability and Skills workstream;</li> <li>- Agree to participate in a process of engagement to inform the content of the future work programme, including a detailed workshop in the new year.</li> </ul>
<b>3.0</b>	<b>Main report</b>
3.1	<p><u>Key Issues</u></p> <p>Employability and Skills development is a core priority of the Belfast Agenda, principally within the ‘Working and Learning’ theme. Equally, the principal ambition of ‘inclusive growth’ – whilst not exclusively focused upon employability – recognises that, for many individuals, the benefits of economic growth are experienced through accessing a job and moving up the career ladder, and that employment is a key route out of poverty.</p>
3.2	<p>Over the next four years, the Belfast Agenda sets ambitious targets for economic growth focusing upon new job creation and private sector investment alongside targets to improve skills attainment (with a particular focus on lower level skills), and to address social and educational inequalities. One of the biggest targets to be achieved in the next four years is to reduce the economic inactivity rate in Belfast to 23%. In real terms, this will mean moving 7,500 individuals who are not currently working into employment – many of whom have not worked for a long time.</p>
3.3	<p>The Council has been scaling up its level of investment year-on-year over the last few years. Additional staff resources have also been recruited to deliver on this programme of work. The following headline targets are expected to be achieved in the financial year 2017/18;</p> <ul style="list-style-type: none"> <li>• More than 1,000 residents are expected to enter employment (550 jobs created to date)</li> <li>• 4,000 residents will be engaged through employability interventions and early engagement projects</li> <li>• Over 1,000 students and young people to be engaged through career events and digital skills programmes and over 290 work experience opportunities to be provided through the Council and key employers across the city.</li> </ul>
3.4	<p>While there is widespread support for the Council assuming a more significant strategic and operational role on Employability and Skills issues, it is important to be aware of some of the</p>

challenges associated with this. These include:

- The Council does not have statutory responsibility (for education, employability and/or skills development). It will therefore be important to work in partnership with those who do have the authority and budgetary resources in order to achieve the quantum of change required. If the Council is to deliver on its ambitions, there will be significant financial implications going forward;
- Policy approaches to education and Employability and Skills development take place in isolation, reflecting the demarcation of responsibilities across government departments such as Department of Education (DoE), Department for the Economy (DfE) and Department for Communities (DfC);
- The operational environment is competitive and participant-focused. This results in a variety of mainstream, regionally-funded programmes and numerous smaller-scale initiatives targeting specific geographical areas, client group(s) or sectors. As an example, a recent review of employer engagement programmes across the various government departments identified more than 160 publicly-funded interventions;
- Research with employers suggests that they are often unaware of the breadth of support available and are also unable to differentiate between the various interventions. They would prefer a solution that is based on their business needs, as opposed to the participant needs or the narrow range of services offered by individual organisations.

3.5

It is proposed that the Council approach should be based on the following principles:

- It should be principally employer-led, focusing on identified employment opportunities and gaps in provision. This will present the greatest opportunity for success for those engaging in the interventions;
- Once the opportunities are identified by employers, we need to take a needs-based approach to client/participant engagement. This is critical if we are going to deliver against the principles of 'inclusive growth', targeting interventions towards geographical areas and/or client groups;
- It will be important to take account of the challenges around low pay in the City. Recognising that some of the sectors that are attractive to those with low skills often have the reputation of low pay, it will be important to consider how we can work with employers to support upskilling of employees. This will enhance pay rates and will also create additional entry-level opportunities;

	<ul style="list-style-type: none"> <li>• Our approach must be ambitious: we need to increase visibility and awareness of Council's role within this environment and strategically build our position in this area;</li> <li>• The Council's intervention should add value and should not duplicate existing provision. It needs to be flexible to meet the wide-ranging needs of participants.</li> </ul>
3.6	<p>It is proposed that this work will evolve over the short to medium-term. In order to give Members a sense of the proposed direction of travel, a phased approach is set out below. This approach has been based on a number of key milestones for mainstream programmes as well emerging opportunities to lever additional resources from public sector partners and from the private sector, principally through developer contributions (subject to legal advice). An overview of these "phases" is set out in <b>Appendix 1</b>.</p>
3.7	<p><u>Phase 1: April 2017-March 2019</u></p> <p>The current delivery approach of the Council is based on adding value to existing market provision, with a focus on outreach to key target groups as well as employer engagement. For example, Employment Academies currently utilise leveraged funding from ESF projects to undertake the early engagement work and basic skills development support while the Council funding is used to support the employer-led training activity.</p>
3.8	<p>Officers tested out this approach in the 2016/17 financial year with seven pilot programmes involving around 100 unemployed individuals. The results of these interventions demonstrated that more than 60% of those participating in the Academies found a job. This compares with around 25% of those taking part in ESF-only schemes.</p>
3.9	<p>The upshot of this successful pilot is that Council has now been asked to become the <i>de facto</i> training and recruitment partner for a number of the new hotels that are scheduled to open in the coming months. We are in the process of helping the Hastings Group (for Grand Central Hotel) and Dalata (for the new Maldron Hotel) to fill 200 jobs in these new hotels. Other hotel partners are also approaching us and this is quickly becoming a recognised solution for entry-level job creation in this sector.</p>
3.10	<p>We are also imminently launching new Construction Academies on behalf of Heron Bros (Leisure Transformation Capital Contract) and for Translink (Transport Hub project) and are currently scoping an extensive "Social Care Academy" given the projected jobs growth in this field.</p>

3.11	<p>There is a significant opportunity to consider how the outreach and engagement work and the employer engagement activity can align to the Local Area Working approach that is currently being developed. In all of the designated areas, issues of low skills, lack of employment opportunities and lack of positive role models have been identified as challenges facing residents. By looking at the development activity in the areas through an employability lens, there is an opportunity not only to support physical improvements in but also to create sustainable employment opportunities and improve skills levels.</p> <p><u>Phase 2: April 2019 – March 2021</u></p>
3.12	<p>There are a number of mainstream government contracts that are scheduled to come to an end during this period or just in advance of 2019. These include the Apprenticeships NI contract and the Training for Success contract (focusing on provision for young people aged 16-18). Discussions are progressing within government departments around the issue of “Traineeships” as well as expanding the “Apprenticeships” provision. This can present opportunities to look at opportunities for local contracting (based on Council boundaries) as well as developing programmes that align to local labour-market intelligence (i.e. quotas and targets for certain sectors, in line with research projections). It is expected this approach would involve the joint development of city targets, alignment of interventions to local needs/opportunities and measurement of localised impacts.</p>
3.13	<p>The Universal Credit transition period is scheduled to end in April 2020 for existing claimants (new claimants will automatically transfer to Universal Credit from May 2018). Given the very localised nature of benefits uptake in some part of the City, it will be important to work closely with the Department for Communities to mitigate against any potential negative impact on the sustainability of local communities.</p>
3.14	<p>Work will also be expanded on higher skills development. Activities are likely to include internship programmes, roll-out of Higher Level Apprenticeships in key growth sectors in partnership with DfE and other targeted initiatives as informed by skills gaps, particularly those at levels 3-5. To fulfil the commitment within the Belfast Agenda, it is also intended to explore the potential of a “City Pledge”, securing partner commitment to help young people to find positive employment or training outcomes.</p> <p><u>Phase 3: April 2021 – March 2023</u></p>
3.15	<p>During this phase of delivery, the current European Social Fund (ESF) funding will conclude</p>

	<p>(March 2022). Consideration will need to be given to how the outreach and engagement work can be supported in the absence of these resources.</p>
3.16	<p>At this stage, we will need to consider how the support programmes can be offered as an “end-to-end” provision. This will involve bringing together partners so that employers and clients can have access to a “one stop shop” for employment and skills development solutions. In-work progression schemes will also be developed to encourage up-skilling of the existing workforce, aligned to key growth sectors and focusing on areas when known skills gaps exist.</p>
3.17	<p>The phased approach outlined above (3.7-3.15) illustrates the transition from programme-based interventions towards a more coherent programme of work. This is likely to require additional investment if we are to make a meaningful impact. It is the intention that funding will be levered from other government resources (Invest NI, Urban Villages, Peace IV etc.) as well as through developer contributions (subject to legal advice). However, the Council will need to consider allocating additional resources towards this priority activity as part of the upcoming rates setting process.</p>
3.18	<p>Taking account of the complexity of these issues as well as the political ambition for the Council to play a key role in this work, it is proposed that there is an ongoing programme of engagement with Members as part of the process of developing the detail that will sit under these broad priority areas of focus set out above. This is likely to be done through a series of workshops and Special Committee meetings, with any decisions coming to this Committee for endorsement. If this approach is approved by Members, Officers will put together a programme of workshops and engagement sessions with a view to securing endorsement on the detailed programme of work by the start of the new financial year. This will, of course, be an evolutionary process as the external environment and the economy change, but it is the intention that this additional engagement with Members will help build an understanding of the key issues and lead to informed decision-making on how to best allocate our resources to deliver on the City ambitions in this area of work.</p>
3.19	<p><u>City Deal</u></p> <p>The proposed Belfast Region City Deal provides the opportunity to take a longer-term approach to addressing Employability and Skills challenges across the six Council area. As part of the development activity on the City Deal, preparatory work is being undertaken on an Intelligence Model which will inform the Employability and Skills priorities of the six Council</p>

	<p>area. Officers have also explored the Employability and Skills programmes within other cities that have secured City Deals and we will use this work to inform the investment proposals for the Belfast Region City Deal. It is proposed that this information should also be part of the engagement process with Elected Members on these issues.</p> <p><u>Financial &amp; Resource Implications</u></p> <p>3.20 Members should be aware that the expansion of the Employability and Skills work stream will require an increase in the current budget allocated to this area. This increase in budget will be managed through the annual estimates process. Additionally, it is recognised that new income streams will need to be developed to support Employability and Skills. This will involve leveraging funding from Central Government, as well as new income streams such as developer contributions, once this policy approach is agreed.</p> <p><u>Equality or Good Relations Implications</u></p> <p>3.21 Activities above will be agreed and reviewed with the Equality and Good Relations Officers.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	Appendix 1 - Phased Priorities