



Belfast City Council

Report to:	Development Committee
Subject:	Update on Key Issues Emerging from Employability and Skills Research
Date:	14 May 2008
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Relevant Background Information

Two pieces of research on (1) skills demand and supply and (2) employability issues were commissioned by Belfast City Council in late 2007. Both pieces of work have recently been completed.

Key Issues

Skills Demand and Supply

This work was carried out by Oxford Economics and Perceptive Insight. It identifies a number of key issues for the future growth of the city's economy. These include:

- While a substantial number of jobs have been created principally through a range of high profile development initiatives, not all areas of Belfast have benefited from this growth
- Current estimates suggest that there are over 64,000 people inactive in Belfast. More than half of these (34,000) are long-term sick or looking after someone in the home
- 13 of the electoral wards in Belfast are estimated to have less than half the working age population in work. If we look forward one decade, it is anticipated that 12 wards will still demonstrate this trait
- The report identifies the two-sided skills challenge for Belfast. While it argues that graduate jobs are essential to drive growth in high end sectors and to meet demand in current growth sectors such as financial and business services, it also suggests that there is a need to tackle the inactivity problems which mean that an increasing number of people are likely to miss out on the opportunities offered by the growing economy

- The future jobs forecasts demonstrate that financial and business services will drive Belfast's employment growth, accounting for ¾ of all new net jobs. Employment in construction, retail and hotels and health is also forecast to expand, albeit on a smaller scale. On the other hand, employment in manufacturing is set to fall, with further job losses forecast (albeit at a lower rate than in the previous decade)
- Over half of the jobs created in the next ten years are expected to require graduate qualifications while less than one in seven will require no qualifications
- The number of people coming in to Belfast to work is set to increase by 6,000 people up to 2015. Worryingly, inactivity levels are not predicted to change substantially, despite government intervention to try to address this issue
- The city centre (Duncairn, Island and Shaftesbury wards) will continue to form the core of the jobs growth in Belfast, creating over ¾ of the 13,980 jobs in the city in the coming decade
- Disparities in the extent and longevity of employment rates across the city are startling: in 2001, the differences in resident employment rates ranged from 77% (Orangefield) to 32% (Falls). Similarly, while 59% of the working age population in Malone was educated to graduate level, only 2% of those living in the Crumlin ward had attained a similar standard of educational achievement
- Migrant workers were identified as being particularly important for the city's economy, particularly with regard to "filling the gaps" within the lower tier skills levels
- The research identifies an "hourglass economy" in the city: at one end of the spectrum is the demand for highly-skilled university graduates to fuel the urban renaissance and the professional services development, while at the other end is the huge stock of 60,000+ inactive people, around half of whom have no qualifications and risk being left behind as the city moves forward. This could lead to further entrenchment of those who are not in employment
- The report concludes that Belfast is ready to grow but that the skills issues risk constraining that growth, unless the major issues are addressed.

Employability

This work was carried out by the Centre for Economic and Social Inclusion (CESI) and Locus Management. Key issues identified include:

- A lack of "hard and soft" skills among those furthest from the labour market. Without qualifications and skills, those furthest from the labour market exclude themselves from large numbers of jobs available in growth sectors
- A significant number of those who are unemployed will have no or limited qualifications. Hence the need to increase skills levels among this group
- New Deal: job outcomes for Belfast are considerably lower than the rest of NI (and UK) and there are also more "serial returners" – many with up to seven and eight instances of New Deal under their belt. Targeted intervention is required to address the poor performance of New Deal in Belfast
- It is estimated that there are currently 5,000 job vacancies in the city (of which around 2,300 are through the Job Centres). Highest vacancy rates are in the Real Estate/business services sector and the retail sector
- Migrant labour is a significant feature of the Belfast economy. Some employers have indicated that they would prefer to recruit migrant workers than LTUs (long-term unemployed people)
- The new Pathways initiative aims to move people away from inactive towards more active benefits.

- There may be an opportunity to consider how Belfast City Council can work with providers to help address the large numbers claiming on the grounds of sickness or disability, e.g. by promoting services through the Leisure Centres and Community Centres.

An overview of the future employment levels as well as unemployment rates and number of those without qualifications in each electoral ward is included in Appendix 1.

Belfast City Council is currently working to identify how it can work with partners to implement initiatives which will address these issues. Examples of current activity include:

- Support for the Citywide Employability Consortium (BEST)- working with employers to identify employment opportunities for people who have experienced difficulties in finding jobs
- Participation in Workforce Development Forum – this employer-led grouping identifies skills needs and works with training providers to identify responses
- Supporting locally-based employment and skills development initiatives as part of the Neighbourhood Economic Development Programme (NEDP)
- Supporting young graduates to find employment in key employment sectors through the Collaborate initiative (in conjunction with BMC)
- Liason with DEL to identify ways of taking appropriate action to address some of the skills and employability issues.
- A Development Brief summarising the key issues from both pieces of research will be issued in May 2008.

Resource Implications

Resources for activities related to the implementation of these issues have been identified as part of the Development Department plan.

Recommendations

It is recommended that members note the findings from this research.

Documents Attached

Appendix 1: Overview of the future employment levels in each electoral ward.

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