



**Report to:** Development Committee

**Subject:** Consultation Response on draft economic inactivity framework

**Date:** 18 March 2014

**Reporting Officer:** John McGrillen, Director of Development, ext 3470

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1	<b>Relevant Background Information</b>
1.1	The Department for Employment and Learning (DEL) and Department of Enterprise Trade and Investment (DETI), in partnership with the Department for Social Development (DSD), Invest NI and the Department of Health, Social Services and Public Safety (DHSSPS) recently launched a consultation on a strategic framework to tackle economic inactivity. This is a commitment within the current Programme for Government. The consultation period closes on 17 April 2014.
1.2	The framework – entitled “Enabling Success” – seeks to support people to make transitions to employment. It aims to address a long-term structural problem within our economy by creating a more diverse, skilled and active working age population. Its overarching and strategic goal is to contribute towards a stable and competitive employment rate of over 70% by 2023, through a reduction in the proportion of the working age population classified as ‘economically inactive’.
1.3	The consultation document asserts that economic inactivity in Northern Ireland: <ul style="list-style-type: none"> <li>- Has been persistently high among the working age population (16 - 64 year olds), for the past 30 years, ranging between 26% and 32%, irrespective of changes in the economic cycle (i.e. even when the unemployment rate fell to around 4% in 2007)</li> <li>- Equates to more than 315,000 people (27.4%) the highest regional rate in the UK.</li> </ul>
1.4	A number of specific target groups have been identified. These are long-term sick and disabled people and those with family commitments. It includes: <ul style="list-style-type: none"> <li>- Women and lone parents – often, they have been found to have relatively higher skills level than other groups who are not working</li> <li>- People who are long term sick, have disabilities or health conditions</li> <li>- Older workers – who will be helped back into work by tackling discrimination barriers, increasing opportunities and addressing issues of</li> </ul>

self-confidence and skills levels.

<b>2</b>	<b>Key Issues</b>
2.1	<p>The framework has four key objectives:</p> <ul style="list-style-type: none"><li>- Reducing in the levels of economic inactivity due to work-limiting health conditions or disabilities by helping individuals in this group move into employment</li><li>- Reducing the levels of economic inactivity due to family commitments, by helping lone parents currently in receipt of out-of-work benefits move into employment</li><li>- Reducing in the in-flows to the economically inactive groups through initiatives designed to promote flexible working, extend working lives, and maintain employment for individuals who develop health conditions or take on caring responsibilities</li><li>- Contributing to a reduction of the unemployment rate to pre-recession levels through programmes designed to alleviate barriers to employment.</li></ul>
2.2	<p>It recognises that there are many individuals who, for a range of complex personal and health reasons, will never be able to fully engage with the labour market. However there are also many individuals who, with the right level of support, will be able to participate in some way in meaningful work.</p>
2.3	<p>Proposed initiatives can be summarised under four key themes:</p> <ol style="list-style-type: none"><li>1. <u>Increasing engagement and support</u> – by promoting the value of work and increasing access to pre-employment and in-work support through innovative new pilot projects</li><li>2. <u>Increasing job opportunities</u> – for the unemployed and economically inactive through new support and incentives for employers to hire inactive individuals.</li><li>3. <u>Addressing wider barriers</u> – by alleviating or removing wider societal issues that limit engagement with the labour market, through a series of new measures to help older workers and individuals with mental health issues to overcome disadvantages in the workplace.</li><li>4. <u>Breaking the cycle of inactivity</u> – by reducing in-flows into the economically inactive groups by building on existing strategies and initiatives across government to improve education and employment outcomes for young people and improved advice and support for those at risk of disengaging with the labour market.</li></ol>
2.4	<p>An early initial action plan to be taken forward by the strategic framework will include:</p> <ul style="list-style-type: none"><li>- New research to map the current service landscape to better connect and improve outcomes for the target groups</li><li>- Undertaking a series of innovative pilot projects designed to test new approaches to re-engage and support inactive individuals</li><li>- Putting in place a new regime to test a limited number of small-scale initiatives for their potential to improve outcomes for the economically inactive. Policy areas for these pilots to address will include:<ul style="list-style-type: none"><li>o Factors contributing to inactivity in urban and rural settings</li><li>o Skills deficits and barriers that limit engagement with the labour</li></ul></li></ul>

	<ul style="list-style-type: none"> <li>market <ul style="list-style-type: none"> <li>○ Mobility issues faced by inactive groups</li> <li>○ Promoting entry level opportunities for the low skilled to enter the labour market</li> </ul> </li> <li>- Providing opportunities for the low skilled to improve their skills levels and progress into sustained employment</li> <li>- Forming a new taskforce to co-ordinate and drive outcomes across government departments and beyond to increase wider public awareness of the major issues surrounding inactivity. The taskforce will provide strategic leadership throughout the life cycle of the strategy.</li> </ul> <p>2.5 The draft Belfast City Council response to the framework is attached as <b>Appendix 1</b>. It responds to the questions set out in the consultation document. Key elements of the response include:</p> <ul style="list-style-type: none"> <li>- Council support for this integrated approach to tackling a multi-faceted problem that is perhaps the largest drag on the city’s competitiveness and economic growth</li> <li>- Support for creating shared budgets, citywide targets and local delivery mechanisms to address the localised nature of the challenge across Belfast</li> <li>- Need for a more co-ordinated approach to commissioning and delivery of programme</li> <li>- Support for the provision of baseline information and tracking of progress at a local level in order to identify the impact of interventions and to interrogate disparities in success rates in order to better understand what works in this field</li> <li>- Support for proposed pilot scheme with a caution that addressing this issue will require medium and longer-term, targeted interventions, as opposed to short, sharp project where outputs measurements are used as a record of success</li> <li>- Proposal for a city-wide approach to addressing this issue, as part of a wider employability and skills plan for Belfast, in keeping with the commitment set out in the Northern Ireland Economic Strategy</li> <li>- Need to consider targeted support for small businesses to encourage and stimulate their involvement in activities such as this, including a simplification of services and programmes</li> <li>- Need to widen the partnership approach to take account of the role of the education sector in “breaking the cycle” and preventing in-flows into inactivity.</li> </ul> <p>2.6 Members should note that there is an information session on this consultation in Belfast Met’s E3 campus on Springfield Road on 26 March at 12pm.</p>
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<b>3</b>	<b>Resource Implications</b>
	No specific staff resources at this time.

<b>4</b>	<b>Equality and Good Relations Considerations</b>
	There are no specific equality or good relations implications.

<b>5</b>	<b>Recommendations</b>
	It is recommended that members consider and approve the draft Belfast City

	Council response to the consultation, attached at Appendix 1, and agree to submit this to the consultation team in advance of the 17 April deadline.
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<b>6</b>	<b>Decision Tracking</b>
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An update on planned approaches will be brought back to the committee once these are agreed.

Timeline: September 2014

Reporting Officer: Lisa Toland

<b>7</b>	<b>Key to Abbreviations</b>
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DEL - Department for Employment and Learning

DETI - Department of Enterprise Trade and Investment

<b>8</b>	<b>Documents Attached</b>
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Appendix 1: draft Belfast City Council response to the consultation on “Enabling Success: driving social change through economic participation – a strategic framework to tackle economic inactivity.”