



Belfast City Council

Report to:	Development Committee
Subject:	Council Support for Employability – European Social Fund
Date:	16 September, 2014
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1	Relevant Background Information
1.1	Members will be aware that the European Social Fund (ESF) is an EU fund to address economic inactivity and increase workforce skills. In Northern Ireland, the programme is administered by the Department for Employment and Learning (DEL). Funding is allocated by means of an open call for projects. Successful projects attract funding of up to 65% of the total project cost and project promoters are expected to find the remaining 35% funding from other sources. Currently, Belfast City Council provides match funding for five projects and supports its HARTE programme – which is delivered by a partnership of local training providers.
1.2	At the August 2014 meeting of the Development Committee, Members were advised of DEL's plans to launch a call for projects under ESF. DEL has subsequently advised that the call will be launched in mid November 2014, closing date at the end of December 2014. Projects will be assessed by a range of selection panels and it is expected that approvals will be issued late January/early February 2015 spanning 2015-2018.
1.3	Members also agreed a proposal to hold an event for training organisations across the city and other relevant partners interested in employability and skills development. The aim of the event was to understand the scale and nature of existing and planned employability support activities across the city, with a view to informing how Council can best use its resources to support those projects requiring match funding and also ensure that a strategic approach is taken to the employability and skills challenges across the city. The event took place on 3 September 2014 and almost 60 representatives from local training organisations attended.

2	Key Issues
2.1	Members have been updated on difficulties for the Council, presented by the open call process for ESF. Updates have been provided in previous reports on officer engagement with DEL staff to identify a way in which the match funding provided by Council and other public sector bodies can be used to contribute to targeted delivery. While many of the individual projects produce positive outputs in their own right, it is almost impossible to measure the overall impact of the investment in terms of skills development or employment

	<p>outcomes within the city. In the Belfast City Council area, 44 ESF projects operate (around £35 million over three years) and 18 projects based in Belfast and operate regionally.</p>
2.2	<p>The transfer to councils of responsibility for community development and regeneration powers from Department for Social Development (DSD) means that there is likely to be a much more significant and diverse demand on Council resources to match fund projects in the coming financial year as well as in future years. While DEL has signalled that there are a number of ESF measures that will be 100% funded i.e. Family Support Programme and measures to target young people aged 16-24 not in education, training or employment – other measures (e.g. support for economically inactive, lone parents, those with health issues etc.) still require match funding at a level of 35% of overall project costs.</p>
2.3	<p>In addition to ESF, there are a range of additional initiatives supporting employability and skills development that are being delivered in specific parts of the city or will commence in 2015. These include the Social Investment Fund (SIF), Peace IV programme, United Youth Programme and Lottery funding.</p>
2.4	<p>Given the limited budget available, the assumption is that Council resources should be used to meet identified gaps or target specific activities that are not already planned or underway, or that will complement planned activity, with a view to improving sustainable employment outcomes and building skills levels to meet employer needs. Equally, it will be important to consider how this activity can sit within an overall strategic plan to address economic inactivity and improve skills levels across the city. Consecutive reports have identified the inactivity levels in some communities as the largest drag on the city competitiveness. In addition, the changing skills requirement of the new growth sectors in the city mean that there is a need to ensure that residents have access to the skills that they need to access future employment opportunities.</p>
2.5	<p>At the August 2014 Development Committee, Members were advised that work was under way to update Council research on employment, inactivity and unemployment by target group and by area with a view to helping Council identify specific challenges and priorities for intervention. Key statistics are included in Appendix 1 and are summarised below:</p> <ul style="list-style-type: none"> - Since 2012, the NI employment rate has risen from 67% to 68.4% but this growth has not been matched in Belfast. - A recent report by Centre for Cities suggests that Belfast remains at the bottom of the league for cities whose residents have no formal skills. 30.4% of Belfast's working age population have no qualifications, while at the other end of the skills spectrum, 26% have a level 4 qualification (census data). - There are extensive variations in unemployment rates across the city. Levels in the Waterworks and Duncairn are three times the NI average while long term unemployment is over 10% higher than the average in Twinbrook, Poleglass, New Lodge and Colin Glen. - Economic inactivity as a result of long term sickness or disability is approximately three times the NI average in Whiterock, Falls, Collin Glen, Crumlin and New Lodge wards. Nine of the 10 most severely deprived wards in Northern Ireland in respect to education and skills are in Belfast; Shankill, Crumlin and Woodvale are the top three respectively. - Oxford Economics' employment projections carried out as part of Council's Integrated Economic Strategy indicates areas with the highest level of job growth opportunities from 2012 to 2022 are in accommodation and food, information and communication, professional, scientific and technical and other service activities. Sectors which fared reasonably well during the worst years of the economic recession included administration and support, finance and insurance and arts, entertainment and recreation. - Employment rates vary significantly depending on age and skills profile. People with higher skills have a higher employment rate. In the 16 – 44 age group, the employment rate was estimated at just 45.1% for people with no qualifications compared to 91.4% for those with Level 4 qualifications and above. The employment rate again reduces significantly for 45-74 year olds with no qualifications - estimated at 26.4%, compared to

71.4% of those with Level 4 qualifications and above.

- Belfast's role as a hub of Foreign Direct Investment (FDI) is clear: since 2002 Belfast has accounted for 50% plus of total NI FDI and over 60% of service sector FDI. If lower levels of Corporation Tax are achieved, this will become an increasingly advantageous position for Belfast as accelerated and increased FDI will produce more high quality jobs in the city. However, these are generally higher skilled jobs and – given the references to challenges around low skills levels – consideration needs to be given to how those residents can be up-skilled to avail of upcoming opportunities.

2.6 At the 3 September event, participants were asked to identify key roles for Council to undertake in supporting employability and skills development initiatives, to consider why some areas remained disadvantaged and identify what could be done to address the significant skills challenges.

2.7 Further work is required before a definitive paper with recommendations on priority actions can be presented to Council. However, based on the research to date – some of which is outlined above – as well as a review of current delivery and feedback from the parties attending the event, a number of guiding principles are proposed to steer any future Council decision on this issue.

1. Need for a citywide approach

A city-wide approach is proposed to support strategic, partnership-led action and address long term labour market issues that impede the city's economic growth.

2. Need to consider targeted interventions and differentiated approaches

A city-wide approach does not mean equal distribution of resources across the city. There are particular areas of need (both geographical and target groups) and resources should be prioritised for those that require greatest support.

3. Partnership between Belfast City Council, DEL and others

To improve the service provision for clients, partners identified a clear role for Belfast City Council's role, bringing together the various stakeholders who will help to deliver change across the city. This includes DEL, BMC and others in the community/voluntary and private sectors. Council's role will be a strategic and guiding one, providing intelligence to allow for future planning, supporting greater alignment between skills demand and supply, up-skilling the sectors, sharing and promoting best practice. The Council also has a role to play in raising awareness of upcoming opportunities arising from major development schemes such as University of Ulster, Royal Exchange and North Foreshore.

4. Support is needed for older males, lone parents, disabled people and minority ethnic communities

Although addressing youth unemployment has to be a pillar of any future labour market intervention, many partners at the event suggested that government policy was focusing disproportionately on young people not in education, employment or training. There was a call to ensure that Council and its partners should not forget others within the labour market that are also severely disadvantaged including older males, lone parents, disabled and minority ethnic communities. This targeting should be based on thorough knowledge of how the unemployment figures were composed and what target groups should be identified for specific interventions.

5. The role of the private sector is critical

The private sector will remain the main job creation sector and therefore it is important that they have a role in the design and delivery of a future city-wide programme. There were numerous references to the fact that Belfast is a micro-business economy and that consider be given to align employment opportunities within small business needs. Participants recognised the significant efforts that Council had taken over the last three years to improve employment and work placement opportunities for long-term unemployed residents and asked that Council retains this focus by working with other public sector partners to

2.8	<p>encourage them to adopt similar approaches.</p> <p><u>6. Need to avoid duplication/local competition</u> As previously referenced, employability and skills support is provided through a range of statutory programmes, commissioned services and community-based provision across the city. Partners recognised and agreed this can create duplication, generates competition at a local level across the city. Council support should seek to actively avoid local duplication and encourage collaboration among partners, so that efforts do not hamper an already significant and complicated range of local provision.</p> <p><u>7. Need to improve data sources and information sharing</u> Sharing information and market intelligence is required. Currently, it is not possible to see the collective impact of skill improvement/job outcomes in Belfast. The resilient nature of deprivation – including skills and education suggests that the combined effort is not being translated into positive outcomes. It is therefore suggested that consideration is given to establishing a management information system to allow enhanced data sharing, track progress and set targets to address non-performance before it is too late.</p> <p><u>8. Need to focus on outcomes and tracking progress</u> There was significant discussion as to what constituted successful outcomes in the range of employability support. While it was recognised that intervention needs to be flexible to meet the needs of the individual, it is considered that any initiatives which the council decides to support should be based on measuring outcomes in terms of jobs created and skills developed. Although not all individuals will move along the support pipeline at the same pace and will require differentiated support, instances of repeat training at the same level – without any consideration of progression – should not be supported. Projects need to be able to demonstrate the outcomes they will achieve and provide evidence of their ability or capacity to deliver these.</p> <p><u>9. Employability and skills cannot be considered as stand-alone interventions</u> Very often, those who are not in work face a range of barriers beyond skills or competencies required and many face health-related issues. It is therefore suggested that any interventions supported need to take account of how wrap-around services can be used to help the individual into employment. This may include consideration by Council as to how its services can support this activity, including community outreach and leisure provisions.</p> <p><u>10. Need for transparency in decision-making around funding</u> Council was asked to be clear about its priorities and to establish a transparent decision-making process by which any applications could be assessed. In the case of ESF projects, this may require the establishment of a set of secondary criteria (in addition to the ESF programme criteria). The research under way will help the council identify priority target groups and locations as well as gaps in provision and specific interventions that might be supported. It is proposed that this will form part of assessment criteria. Equality and Good Relations' considerations will be factored into the prioritisation and assessment process.</p> <p>Subject to agreement by Members on these principles, it is proposed to present a report to the Development Committee in October to agree priority areas for Council intervention and support and to establish a possible assessment process for any applications, in line with these principles. This may include Council making a bid to DEL under ESF to lever resources and then commissioning delivery against agreed targets and priorities by third party organisation(s).</p>
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3	Resource Implications
3.1	No specific resource implications at this stage.

4	Equality and Good Relations Considerations
4.1	No specific equality or good relations implications.

5	Recommendations
5.1	<p>It is recommended that Members:</p> <ul style="list-style-type: none"> - Note the preliminary research findings on employability, unemployment and skills issues in the Belfast City Council area. - Note feedback from the 3 September 2014 event with training and skills development partners. - Note and agreed the proposed principles to guide any future Council support for employability and skills development activities. - Agree to receive a report at the October 2014 Development Committee meeting to agree priority areas for Council intervention and support and establish a possible assessment process for applications, in line with the 10 principles.

6	Decision Tracking
	<p>If approved, a report will be presented to the October 2014 meeting of the Development Committee.</p> <p>Timeline: October 2014 Reporting Officer: Lisa Toland</p>

7	Key to Abbreviations
	<p>DEL – Department for Employment and Learning ESF – European Social Fund NEET – Not in education, employment or training SIF – Social Investment Fund DSD - Department for Social Development</p>

8	Documents Attached
	<p>Appendix 1 - Key figures emerging from Council research on employment, inactivity and unemployment by target group and by area.</p>