



EMPLOYABILITY & SKILLS ISSUES

Stakeholders Meeting

Belfast City Hall

3rd September 2014





Profile: skills – a mixed story

Qualification	Share in 2001		Share in 2011	
	Belfast	NI	Belfast	NI
No Qualification	41.8%	41.6%	30.4%	29.1%
Level 1 Qualifications	14.8%	17.2%	10.8%	11.5%
Level 2 Qualifications	13.3%	16.4%	12.6%	14.9%
Level 3 Qualifications	10.9%	9%	13.1%	12.3%
Level 4 and above Qualifications	19.2%	15.8%	26%	23.6%
Other* Qualifications	-	-	7.1%	8.5%
Source: Census 2011				



And this is a big challenge for Belfast

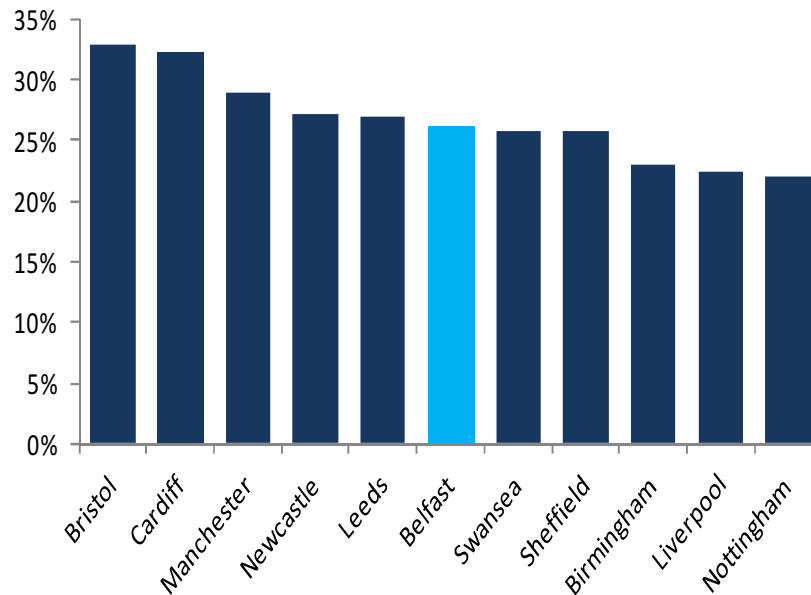
10 cities with the highest percentage of low skills

55	Birmingham	15.9
56	Rochdale	15.9
57	Northampton	15.9
58	Leicester	16.0
59	Bradford	16.0
60	Liverpool	16.6
61	Coventry	16.6
62	Blackburn	17.7
63	Luton	17.9
64	Belfast	19.8
United Kingdom		10.9



Significant skills demand and supply challenge...

% 16+ population with degree levels skills or above, selected cities, 2011



Source: Census

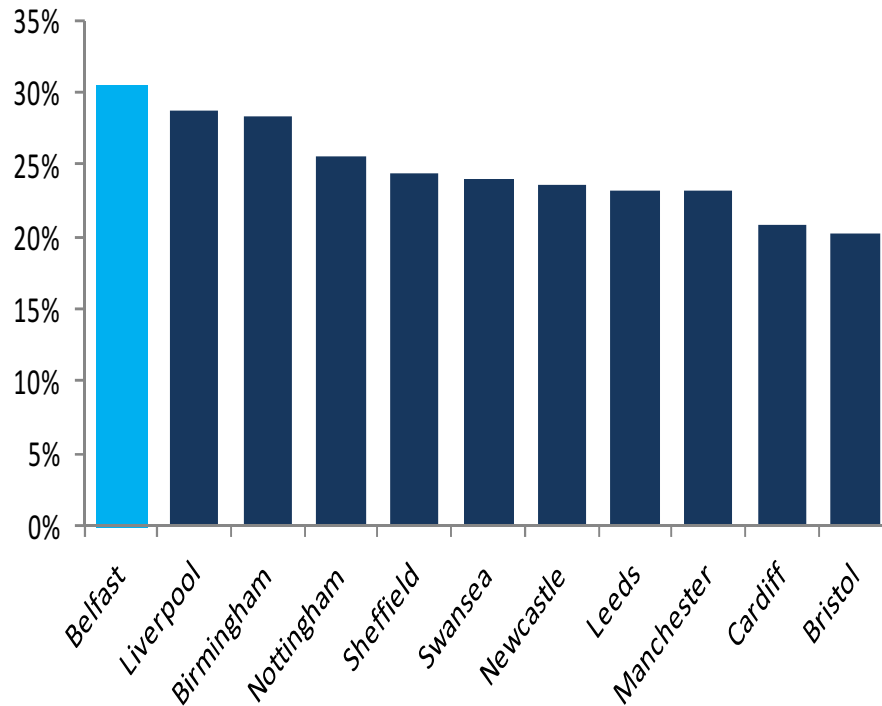
- To achieve Bristol's employment rate in 2011 (*Integrated Economic Strategy*), Belfast would need an **additional 9,600** resident jobs). Even at peak, in 2007, Belfast only achieved an employment rate of 66%.
- Belfast would need to up-skill an additional **15,200** people to degree level to match Bristol





Low skills levels are an issue...

% 16+ population with no formal qualifications, selected cities, 2011



Source: Census

- Belfast would need to upskill 13,000 people to achieve comparator average levels of **no qualifications** (average)
- ...or 23,500 people to equal Bristol's level
- Strong correlation between employment rates and skills levels:
 - Bristol's employment rate is highest in UK; the city also has the highest proportion of degree level qualifications (33%). Only 20% of the working age population have no formal qualifications.





Skills pay

Belfast: Economic activity rate by qualifications with estimated Employment rate and Worklessness rate

	Economic activity rate (%)	Estimated employment rate (%)	Estimated workless rate (%)
Aged 16 to 44	74.0		
No qualifications	45.1	36.2	63.8
Level 1 qualifications	67.6	58.2	41.8
Level 2 qualifications	70.4	60.2	39.8
Level 3 qualifications	73.7	67.2	32.8
Other qualifications	81.9	73.9	26.1
Level 4 qualifications and above	91.4	87.3	12.7
Aged 45 to 74	48.1		
No qualifications	26.4	17.5	82.5
Level 1 qualifications	59.5	50.1	49.9
Level 2 qualifications	63.6	53.4	46.6
Level 3 qualifications	69.8	63.3	36.7
Other qualifications	54.1	46.1	53.9
Level 4 qualifications and above	71.4	67.3	32.7

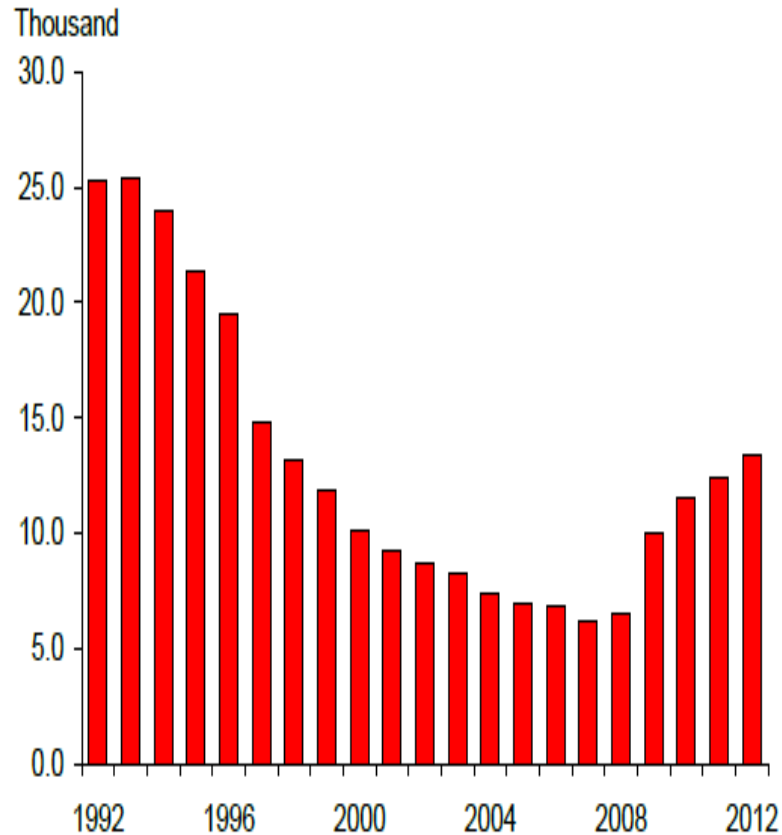
Source: 2011 Census for Belfast, GB Annual Population Survey, Inclusion estimates



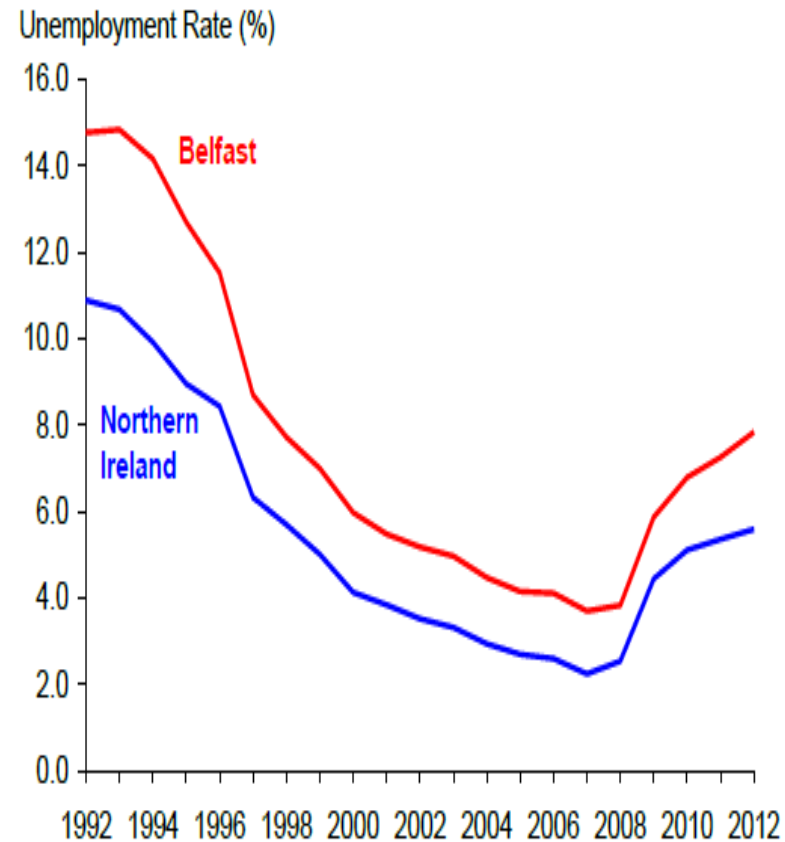


Unemployment

Unemployment - Belfast



Unemployment Rates



Employment Structure

Employment Structure - Belfast		
Employment Sector (Ranked in order of total share of employment in 2012)	Employment annual percentage change (2007 - 2012)	Employment Change 2007 - 2012 (Thousands)
Human Health & Social Work	-0.6%	-968
Wholesale & Retail	-1.2%	-1,779
Public Admin & Defence	-0.7%	-1,068
Admin & Support	2.8%	2,767
Education	-0.5%	-481
Accommodation & Food	-0.1%	-66
Financial & Insurance	0.4%	231
Professional, Scientific & Technical	-0.1%	-41
Information & Communication	-0.3%	-182
Manufacturing	-0.8%	-368
Construction	-4.6%	-1,925
Transportation & Storage	-1.2%	-425
Other Service Activities	0.2%	48
Arts, Entertainment & Recreation	0.8%	145
Real Estate Activities	0.0%	4
Electricity, Gas & Steam	-3.3%	-218
Water Supply	-2.3%	-98



Employment projections

Sectors	Employment Average Growth (2012 - 2022)	Total Jobs Change (2012 - 2022)	Average Jobs Change (2012 - 2022)
Agriculture, Forestry & Fishing	0.2%	4	-
Mining & Quarrying	-3.0%	-40	-4
Manufacturing	-1.5%	-1,260	-130
Electricity, Gas & Steam	-0.5%	-50	-5
Water Supply	-2.4%	-170	-20
Construction	0.6%	460	50
Wholesale & Retail	0.3%	720	70
Transportation & Storage	0.6%	460	50
Accommodation & Food	1.2%	1,560	160
Information & Comms	2.1%	2,430	240
Financial & Insurance	0.3%	380	40
Real Estate Activities	0.8%	280	30
Professional, Scientific & Technical	1.7%	1,940	190
Admin & Support	1.6%	3,680	370
Public Admin & Defence	-1.2%	-3,090	-310
Education	0.5%	930	90
Human Health & Social Work	0.1%	350	40
Arts, Entertainment & Rrecreation	1.6%	670	70
Other Service Activities	1.4%	960	100
Total	0.5%	10,210	1,020
Source: Oxford Economics			



Businesses matter – and Belfast has low business start up rates...

10 cities with the lowest start-up rate

55	Stoke	26.8	26.7	0.1
56	Plymouth	26.7	23.4	1.6
57	Doncaster	26.4	27.4	-0.5
58	Barnsley	26.1	22.9	1.5
59	Wakefield	25.4	25.6	-0.1
60	Swansea	24.5	30.2	-2.4
61	Dundee	23.0	20.6	1.2
62	Mansfield	22.5	23.7	-0.5
63	Belfast	20.9	26.1	-1.9
64	Sunderland	20.7	23.4	-1.5
	United Kingdom	41.3	36.3	1.5



...Levels of innovation are also low

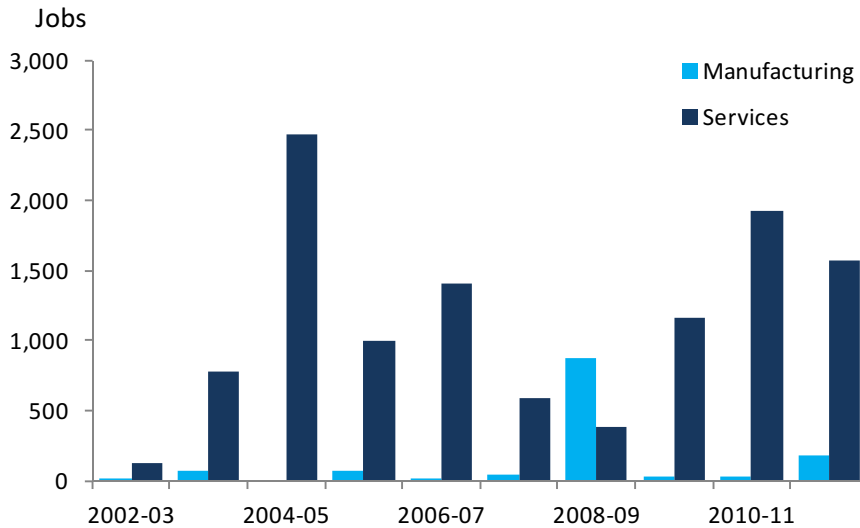
10 cities with lowest number of patents approved

55	Crawley	1.6
56	York	1.5
57	Sunderland	1.5
58	Southend	1.4
59	Dundee	1.4
60	Newport	1.4
61	Middlesbrough	1.3
62	Swansea	1.3
63	Wakefield	0.6
64	Belfast	0.5
United Kingdom		4.7



Belfast's role as hub of FDI is clear...It's not all bad news!

Invest NI jobs promoted in Belfast, 2002/03 - 2011/12



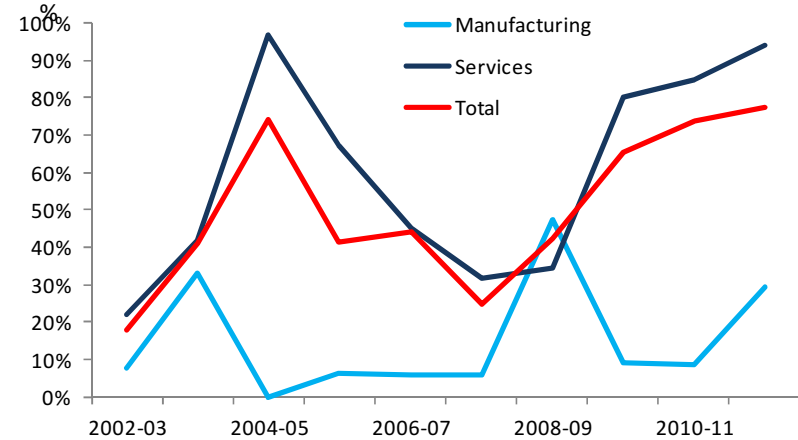
Source: Invest NI

On average, Belfast accounted for 50% of total NI FDI since 2002;

- 60% services
- 15% manufacturing

FDI supported 1,750 jobs in Belfast in 2011/12

Invest NI jobs promoted, Belfast as % NI, 2002/03 - 2011/12



Source: Invest NI



...with certain specialisms apparent



Source: Invest NI



City Ambition

- More business births than business deaths
- Greater focus on enterprise and entrepreneurship within the city – potential to focus on specific sectors
- The city of choice for Foreign Direct Investment
- Higher % of resident population with degrees
- Lower % of resident population with no skills
- Higher resident employment rate – NI target 70% (Inactivity Strategy)
- Greater opportunities as a result of large infrastructural projects including University of Ulster campus, Royal Exchange, Stadia Developments, Rapid Transit, Titanic Quarter, North Foreshore, Belfast Harbour
- Greater sense of partnership across the city - as evidenced by new collaborative models
- Differences in spatial deprivation lessen across the city
- Belfast City Council plays its role!



Numbers in Further Education / Higher Education in Belfast

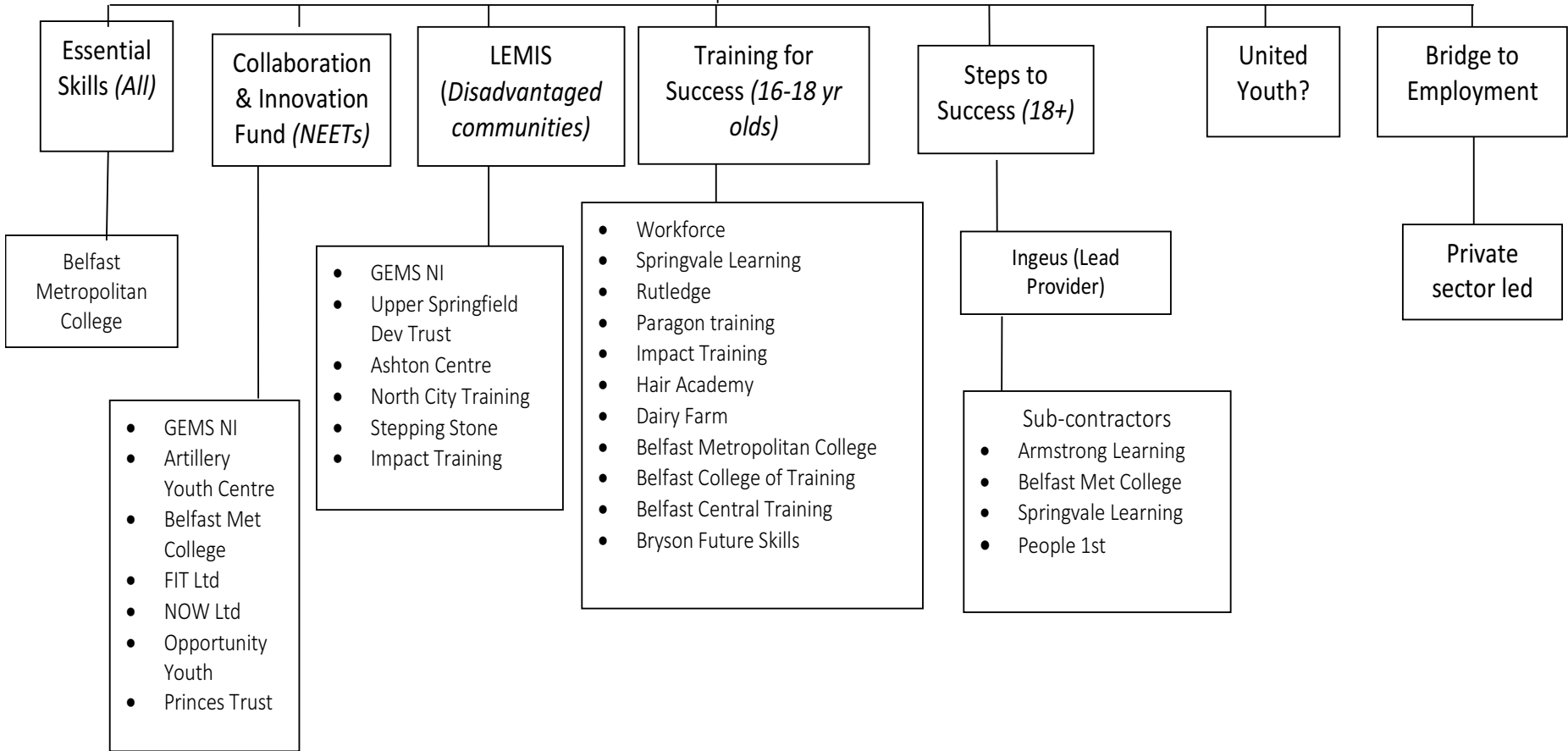
Institution	Full-Time	Part-Time	Total
Belfast Metropolitan College	5,411	28,746	34,159
Queens University, Belfast	17,525	6,675	24,200
University of Ulster, Belfast	1,463	274	1,737
Stranmillis College	915	385	1,300
St Mary's College	880	105	985
TOTAL	26,194	36,185	62,381
* University of Ulster, Jordanstown	8,022	5,298	13,320

Employability & Skills FE/HE

- In NI **FE enrolments increasing marginally**, the majority of enrolments in 2012/13 were on courses at NQF/QCF Level 2 or equivalent (73,647), representing 47% of total enrolments. Some 77% of Professional and Technical Enrolments in 2012/13 were on courses at Level 2 or higher.
- Over the last ten academic years the total number of students enrolled at **NI HEIs** increased by 1%. Between 2011/12 and 2012/13 this figure has **decreased** by less than 1% (impact of fees).
- Of the full-time first degree graduates from NI HEIs in 2012/13 who were in work and/or study or seeking work, 91.9% (90.9% in 2011/12) **were in work and/or study**. The comparable figure for UK HEIs is 92.1% (90.8% in 2011/12);
 - St Mary's – 97.0% (benchmark – 96.3%) were performing above, but not significantly above, their benchmark;
 - Stranmillis – 95.1% (benchmark – 97.0%)
 - QUB – 93.8% (benchmark – 94.0%) were performing below, but not significantly below, their benchmarks.
 - UU – 89.7% were performing significantly below their benchmark of 92.8%.
- **Under representation** from;
 - persons in SEC Groups 5 – 7
 - students from low participation/high deprivation neighbourhoods
 - young Protestant males from areas of high deprivation; and
 - adult learners, particularly work-based learners

**Department for
Employment &
Learning**

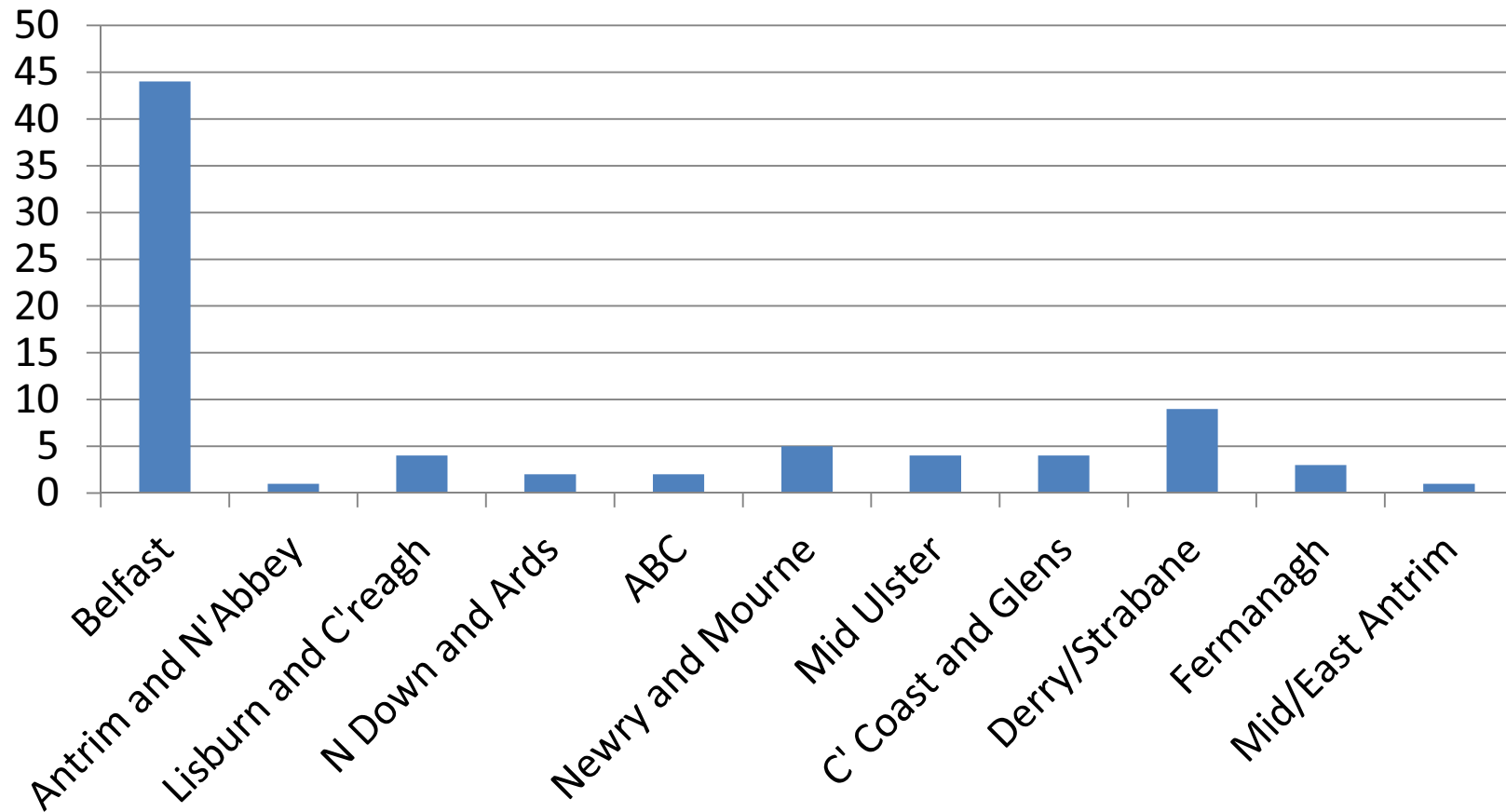
- In house services:
- Employment Services
 - Careers Service
 - Provision to assist people with disabilities and/or health conditions
 - Management & Leadership Development
 - Vocational Enhancement Programme
 - Education Maintenance Allowance
 - Migrant workers
 - Widening participation in Higher Education



Community Sector

- 12 Neighbourhood Renewal Areas in Belfast . In 2012/13 £1,712,788 spent on education, training and skills projects (25 projects)
- Community lead on ESF Projects – 44 local ESF projects
- Lottery Funding
- Social Investment Fund
 - North Belfast-*Employment Fuel Poverty* A project to improve employability and reduce fuel poverty £2million
 - South Belfast -*Employment Programme* An employment project targeting 375 local people to train in catering, hospitality, retail and IT£2.2million
 - East Belfast - *Economic Renewal* A revenue project designed to provide pathways to employment through a coordinated programme of employability, enterprise and economic development initiatives across the zone. £1.8million (estimated)
 - West Belfast - *Integrated Employment Programme* A large Intermediate Labour Market (ILM) programme which aims to support up to 300 (200 full time equivalent) local people to get back into mainstream employment. The programme will include a 12 month paid placement, onsite training, off site training, skills development, mentoring and other specialist support. £3.3million

Breakdown of ESF provision by council area



European Social Fund 2007-2014

- 44 ESF projects in the Belfast City Council area
- 18 NI wide ESF Projects including Action Mental Health, Action on Hearing Loss, Advantage, Conservation Volunteers NI, CSV Media, Disability Action, Enterprise NI, Gingerbread NI, Include Youth, NIACRO, The Cedar Foundation, The Princes Trust, Training for Women's Network, USEL, VOYPIC, Women in Business, WRDA, Youth Action
- Comparison to other council areas
- Round 1 total of £14,404,512 ESF Funding
- Round 2 total of £20,547,588 ESF Funding
- **TOTAL ESF FUNDING £34,952,100 FOR LOCAL BELFAST PROJECTS (excl 18 NI-WIDE PROJECTS MANY OF WHICH ARE MANAGED AND DELIVERED IN BELFAST).**

ESF Programme 2014-2020

Priority Axis 1 and 2 will interest Belfast organisations.

Priority Axis 1

To promote employment and support labour mobility through

Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

- **Specific Objective** – To increase employment among the unemployed (including long term unemployed) and economically inactive
- **Results**
 - 20% (7,000) participants in employment, upon leaving
 - 26% (9,000) participants in employment, including self-employment six months after leaving

Sustainable integration into the labour market of young people in particular those not in employment, education or training (NEET), including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.

- **Specific Objective** – reduce the number of 16-24 year olds who are NEET
- **Results**
 - 3,000 participants in employment upon leaving
 - 35% (8,750) participants in education/training upon leaving

ESF Programme 2014-2020

Priority Axis 2

Promoting social inclusion, combatting poverty and any discrimination through

Active inclusion including with a view to promoting equal opportunities and active participation and improving employability

- **Specific Objective a** - will help people with disabilities progress towards employment, move into employment, move into employment and sustaining employment
- **Results**
 - 10% (1,300) participants in employment upon leaving
- **Specific Objective b** – to reduce the number of NEETs in families in targeted areas
- **Results**
 - 30% (3,600) of participants aged 16 and over will enter employment, education or training upon leaving

NI ESF Programme 2014-2020 Breakdown of Financial Allocation

	ESF	Match Funding	Total	% of total allocation
Priority Axis 1				
Thematic Objective 8 (i)	34,139,951	51,209,927	85,349,878	28.5%
Thematic Objective 8 (ii)	24,385,680	36,578,519	60,964,199	
Priority Axis 2				
Thematic Objective 9 (a)	51,071,314	76,606,970	127,678,284	30%
Thematic Objective 9 (b)	10,534,614	15,801,920	26,336,534	
Priority Axis 3				
Thematic Objective 10	82,141,236	123,211,854	205,353,090	40%
Technical Assistance	3,080,296	4,620,445	7,700,741	1.5%
TOTAL	205,353,091	308,029,635	513,382,726	100%

Spatial Deprivation

- The working age employment rate in Belfast is 60.5% compared to NI average of 67%
- 10,981 households with dependent children and no adult in employment
- 8,832 lone parent households with dependent children where the lone parent is unemployed
- 11,760 economically inactive – looking after the home or family
- 22,941 economically inactive – long term sick or disabled
- 16,130 JSA claimants
- 15,550 ESA claimants
- 18,560 income support claimants
- 9,000 NEET young people (26% compared to a NI rate of 20% & UK rate of 18%)

Claimant Count 2013

Claimant Count Annual Average

	%		%
NI	5.4		
Water Works	17.3	Woodvale	12.6
Duncairn	16.7	Ardoyne	12.5
The Mount	13.9	Crumlin	12.3
Shankill	13.8	Twinbrook	11.7
Clonard	13.6	Ballymacarrett	11.2
New Lodge	13.5	Upper Springfield	10.9
Falls	13.0	Whiterock	10.8
Blackstaff	12.6	Glencairn	10.3

Claimant Count LTU Annual Average

	%		%
NI	29.5		
Twinbrook	41.9	Falls	37.4
Poleglass	41.4	Knock	36.7
New Lodge	41.0	Dunmurry	36.7
Collin Glen	40.7	Ballymacarrett	36.4
Ardoyne	39.6	Upper Springfield	36.4
Glencolin	38.9	Glen Road	35.8
Ladybrook	38.0	Kilwee	35.8
Falls	37.4	Clonard	35.7

Economic Inactivity

	Economically inactive: Looking after home or family: Aged 16-74 years (%)	Economically inactive: Long-term sick or disabled: Aged 16-74 years (%)		Economically inactive: Looking after home or family: Aged 16-74 years (%)	Economically inactive: Long-term sick or disabled: Aged 16-74 years (%)
NI	4.45	7.27			
Whiterock Falls	8.78	20.48	Ballymacarrett	7.67	16.07
Collin Glen	8.09	20.68	Twinbrook	7.57	15.84
Crumlin	11.06	17.15	Water Works	6.89	15.36
New Lodge	8.43	19.55	Beechmount	6.80	13.89
Ardoyne	7.31	19.43	Duncairn	5.70	14.95
Shankill	8.71	17.93	The Mount	6.37	12.82
Upper Springfield	8.76	17.48	Poleglass	6.84	12.02
Clonard	7.78	18.17	Shaftesbury	5.48	13.17
	7.58	17.38	Kilwee	4.71	13.39

Deprivation Measure -Education & Skills

	NI Rank		NI Rank
Shankill	1	Upper Springfield	15
Crumlin	2	Glencairn	17
Woodvale	3	Collin Glen	18
Falls	4	Twinbrook	22
Ballymacarrett	6	Ardoyne	24
The Mount	7	Island	27
Whiterock	8	Blackstaff	29
Duncairn	9	Cregagh	35
Shaftesbury	10	Highfield	41
New Lodge	12	Clonard	44
Woodstock	13	Glencolin	46
Tullycarnet	14	Water Works	57

What happens elsewhere – City Deals example

UK Policy Context: Giving more power back to cities through City Deals (Deputy PM Office)

- Much greater than skills and employability, albeit that skills and employability are central plank in all city deals
- City Deals are agreements between government and a city that give the city control to:
 - take charge and responsibility of decisions that affect their area
 - do what they think is best to help businesses grow
 - create economic growth
 - decide how public money should be spent

First wave of city deals included:

- Greater Birmingham and Solihull
- Bristol and the West of England
- Greater Manchester
- Leeds City Region
- Liverpool
- Nottingham
- Newcastle
- Sheffield

Lessons from city deals

Greater powers and levers to deliver the skills and jobs that local businesses and people need

- **Local skills funding model:** a new model of skills funding that will match local contributions (public and private) with national funding to provide a skills budget that cities will control to invest in the skills that local businesses need (Sheffield City Region)
- **Skills Bank:** an employer owned mutual that will match public sector funding with private sector investment and allow businesses to buy the skills and apprenticeships that their local economy needs (Liverpool City Region)
- **Outcome incentives:** new models to give cities greater influence over the skills system by using incentive payments or payment by results (Greater Manchester and Liverpool City Region)

Lessons from city deals

- **City apprenticeship hubs:** enabling cities to boost apprenticeship numbers by supporting SMEs take on apprentices through Apprenticeship Training Agencies, brokerage and incentive payments. (Bristol and the West of England, Greater Manchester, Leeds City Region, Newcastle and Nottingham)
- **Localised youth contracts:** local alternatives to the national 16-17 youth contract programme, with cities having the power to design and deliver local models to reduce NEETs (Leeds City Region, Liverpool, Newcastle)

Issues to consider

- Impact of interventions ? Lots happening, but can we measure impact are these programmes having on the ground?
- Supply v Demand - are the needs / future needs of the Belfast economy being matched by the supply of a skilled workplace?
- City Wide – does not equate to an equal allocation of resources across the city. Spatial deprivation requires additional resources targeted at areas of greatest need.
- Opportunities
 - Foreign Direct Investment (Belfast punching well above its weight)
 - Belfast City Council post March 2015 – additional powers, resources, new areas
 - Other funds – urban renewal funding, Peace IV, Social Investment Fund.....