



Subject:	Employability and Skills Framework: Support for Economic Inactivity and Skills Development initiatives
Date:	13 September 2017
Reporting Officer:	Donal Durkan, Director of Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

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

1.0	Purpose of Report or Summary of Main Issues
1.1	<p>The purpose of this report is to:</p> <ul style="list-style-type: none">• Update Members on the upcoming European Social Fund (ESF) kl. call and to seek approval on the proposed Council approach, subject to funding availability in the coming financial years• Seek in-principle approval to continue development work with partners on a number of Employment Academies and additional skills development initiatives for economically inactive individuals, subject to funding availability in the coming financial year• Update Members on engagement with the sector to develop a Digital Skills support programme for young people and their teachers and youth leaders• Seek approval to invest in the expansion of Ulster University's Legal Innovation Centre to support the growth of the legal services technologies sector.

2.0	Recommendations
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> • Note the update on the upcoming ESF funding call • Approve the recommended approach for Council with regard to the upcoming ESF funding call as outlined in 3.14-3.17, subject to funding availability in the coming financial years • Seek in-principle approval to continue development work with partners on a number of Employment Academies and additional skills development initiatives for economically inactive individuals, subject to funding availability in the coming financial year; • Approve the proposed approach for a Digital Skills Programme working in partnership with Makematic • Approve the proposal and associated budget to support the expansion of Ulster University’s Legal Innovation Centre to create a globally-recognised Centre of Excellence; • Note the approval of the activities listed above is dependent upon Legal Services agreeing a suitable form of Legal Agreement with the parties to be funded.
3.0	Main Report
3.1	<p><u>Key Issues</u></p> <p>Members will be aware that the Council, with its key partners, developed an Employability and Skills Framework for the City. This sets a number of targets around improvements in employment rates and skills levels for Belfast residents.</p>
3.2	<p>The Framework notes the need for interventions across a range of areas including:</p> <ul style="list-style-type: none"> • Economic Inactivity: deep-rooted challenge which has a disproportionate impact in some areas of the City. Economically inactive individuals often face multiple challenges in finding work, including health problems, childcare, lack of relevant skills • Upskilling of people in low-level, low-paid work: in an increasingly flexible labour market, it is important to consider how people not only move into employment but also move up the skills ladder – and have the associated benefits in terms of increased income • High skills: research indicates that there will be a growing need for higher level skills in the workplace. There is a need for greater focus to ensure greater alignment between growth areas and skills investment in order to ensure that the City remains globally competitive.

3.3	<p>The Belfast Agenda also identifies the themes of “Growing the Economy” and “Working and Learning” as two of the fundamental pillars of future City development. The Belfast Agenda includes a number of commitments including supporting an additional 50,000 jobs in the City by 2035, ensuring that every young person leaving school has a destination that fulfils their potential and increasing the proportion of the working age population with Level 2 and above skills, in line with future labour market developments.</p>
3.4	<p>Over the last year, the Council has worked with partners to develop a number of collaborative initiatives to address some of the challenges identified above. Given the scale of the challenge, activities have focused on the economically inactive at this stage. However, there have been investments across all areas. Some of the headline outcomes to date include:</p> <ul style="list-style-type: none"> • Over 3,600 residents have accessed employability interventions of whom approximately 750 have entered employment/self-employment • Over 550 training accreditations have been supported of which over 200 are at level two qualifications or above • Almost 4,000 young people have participated in enterprise engagement and skills development activities in schools across the City • Working in partnership with key stakeholders a range of job fairs have been held attracting over 2,800 attendees • 150 individuals have benefited from work placements across all Council departments.
3.5	<p>There are a number of emerging opportunities for Council engagement in new activity that require the authority of this Committee in order to proceed. These include:</p> <ul style="list-style-type: none"> • Collaborative investment in European Social Fund (ESF) projects to work with targeted economically inactive individuals • Development of additional “Employment Academies” in areas of job growth, including hospitality, construction and social care • Development of high growth skills area to create “niche” areas for the City. These include legal technology through the newly-established Legal Technology Centre.
3.6	<p>In order to present the “full picture” of the City challenges in this area and the proposed Council approach to address these challenges – in conjunction with partner organisations – a report will be presented to the next meeting of this Committee to give a clear overview and to set out the overall direction of travel.</p>

Collaborative investment in European Social Fund

- 3.7 The European Social Fund (ESF) provides funding for activity to help key target groups (long-term unemployed, economically inactive, those not in education, employment or training (NEETs)) to find work. On 11 September 2017, the Department for the Economy will release the final funding call for the ESF Programme 2014-2020, for projects to be delivered from April 2018 to March 2022. The available budget for this call is expected to be approximately £176 million over the four-year period, incorporating match funding from private and public sector sources.
- 3.8 The last call for projects took place in 2015 and funded projects will conclude in March 2018. Up to 65 projects are being supported across Northern Ireland with approximately 50% of these operating from and/or within the Belfast area. Members will be aware that the Council is currently match funding five of these projects (providing up to 35% of project costs). These projects are:
- LEMIS+ delivered by the LEMIS Partnership
 - Jobworks project delivered by Springboard
 - SPEC Programme delivered by Women's TEC
 - The Connect Programme delivered by Women in Business
 - Pathway to Work programme delivered by Workforce.
- 3.9 The Council is also funding a number of stand-alone projects, not currently in receipt of ESF. These are:
- Training for Employment project delivered by Lenadoon Community Forum
 - Community Employment Programme delivered by Shankill Women's Centre.
- 3.10 Across the three-year delivery timeframe (April 2015 – March 2018) these projects are expected to achieve the following outcomes:
- Around 10,000 individuals engaged into employability-related support
 - 2,000 individuals moved into employment (almost 700 jobs supported per year).
- 3.11 The Council investment over a three-year period has been £720,000 against total expenditure of over £11 million. This represents an overall cost per job of £5,500. The cost per job to the Council is £360. The rest of the match funding comes from the ESF support or from other match-funding investment.

3.12	<p>As part of the Council's due diligence process around its investment in these projects, a review was undertaken to consider the impact of the projects and to look at how future engagement with ESF could contribute to the Council's commitment to address the challenge of economic inactivity in the City. Key findings from this review included:</p> <ul style="list-style-type: none"> • The projects have been effective in engaging the hardest to reach and those within the most deprived communities. Almost 60% of participants were from the top 10% most deprived wards • Project participants are typically presenting multiple barriers to employment including a lack of self-confidence, mental health issues, limited/no work experience, lack of affordable childcare, poor employability skills. This means that the support mechanisms need to be flexible to meet the needs of these individuals. There also needs to be better engagement with local support services e.g. healthcare providers • ESF funding can only cover costs associated with training up to Level 1 (GSCE grades D-G). This makes it difficult to address the low skills issue identified above • There is a growing challenge of Mental Health issues: while needs are increasing, there is insufficient support available to meet demand.
3.13	<p>The fact that ESF is administered by the Department for the Economy (DfE) through an open call means that the Council can only have limited influence on the selection process and funding allocations. Nonetheless, the level of resources available represents a significant investment in provision and there are opportunities to consider how the Council can work alongside selected projects as part of the solution to addressing economic inactivity in the City and the challenges set out above.</p>
3.14	<p>Officers have already been approached by a number of potential projects with a view to seeking match funding from the Council. Recognising the limitations highlighted above, as well as the need to concentrate resources on areas of most need, it is proposed that the Council continues to provide match-funding support for ESF but that it focuses investment on a small number of projects that demonstrate the potential for maximum impact, in line with Belfast Agenda commitments.</p>
3.15	<p>In order establish a transparent process for projects that may be seeking Council match-funding, it is proposed that Officers organise an information event outlining how requests will be assessed. Details of criteria will be provided. It is recommended that these include:</p> <ul style="list-style-type: none"> • Scalability of delivery such as city-wide provision • Alignment of provision to local area needs

- Assessment of ability to deliver on targets (taking account of existing provision in the area)
- Prioritising economic inactivity client groups (e.g. lone parents)
- Provision of wrap-around services (e.g. health support, childcare)
- Partnership/collaborative approaches
- Progression routes (to further support/into employment)
- Employer engagement support (enterprise support for start-up projects)
- Financial sustainability
- Minimum targets for helping people into employment/self-employment.

3.16

The closing date for applications is 13 October 2017. At that point, project applicants will be expected to indicate that they have engaged with potential match funders albeit that the commitment is not binding until a match funding certificate is signed (this only happens once the project receives a Letter of Offer). It is therefore recommended that Officers make an assessment of projects seeking match funding from the Council based on the above criteria. A report will then be presented to a future meeting of this Committee outlining the proposed projects to be supported, including the financial allocation recommended for each.

3.17

It is proposed an annual funding allocation of up to £250,000 will be set aside by the Council for these match-funded projects. Based on investment in previous projects of this nature, this investment has the potential to support around 700 unemployed and economically inactive people per year to find a job. This will be an annual funding requirement, for a period of up to four years. The funding allocation has to be agreed on an annual basis, subject to performance.

3.18

Employment Academies and wraparound support

One of the major shortcomings of ESF is that it can only provide training up to Level 1 and wraparound services such as personal development support or aftercare mentoring may be limited. Likewise, the level of employer-led intervention is variable across projects and small-scale project delivery agents do not have employer connections at the appropriate level. To overcome this, the Council has been working on a number of sectoral "Employment Academies". These are targeted interventions based on available job opportunities. Employers are involved in the design process and guarantee all participants an interview for available jobs. Candidates are recruited from ESF and other employability interventions. Whereas the average employment outcomes for ESF projects are around

	<p>25%, the seven Hospitality Academies delivered by the Council and its partners last year achieved an into-employment rate of 60%. This meant that, from the 100 programme participants, 60 are now in employment.</p>
3.19	<p>Based on the success of the Hospitality Academy model, officers have been approached by employers from other sectors including social care and construction. These employers are willing to provide an employment pipeline of available job opportunities and will guarantee participants an interview for the posts. There will also be a large-scale Hospitality Academy programme with a number of the flagship new hotel investments in the City over the coming six months. The Hospitality Academy alone will provide employment opportunities for up to 175 unemployed and economically inactive. In addition, the other Academy programmes (construction and social care) will help at least 100 individuals to move into employment through these interventions over the next 12 months.</p>
3.20	<p><u>Development of Digital Skills</u></p> <p>At the August 2017 meeting of City Growth & Regeneration Committee, approval was given to ring-fence a budget of £60,000 for the development of Digital Skills in young people. Officers noted that they would engage with key organisations already involved in activity in this field to look at how the Council could best support this agenda.</p>
3.21	<p>Following engagement with relevant providers, there is an opportunity to add value to a regional Digital Skills campaign being delivered by Makematic and funded by Bank of Ireland. This programme aims to build the capacity of Teachers and Teaching Assistants in order to improve the quality of digital skills education for young people. The current programme is limited to online support, however, with additional resources from the Council, there is an opportunity to add value by supporting more schools across Belfast to access the content as well as providing in-school support and workshop sessions to share best practice.</p>
3.22	<p>The proposed added value programme would also incorporate participation by community groups and provide the opportunity for pupils to compete in digital skills challenges culminating in showcase events. It is expected that up to 200 young people will be engaged in these challenges enabling young people to practically utilise digital skills. Through this project, it is proposed that a minimum of 30 schools (primary and post primary) and community organisations across Belfast will be engaged. Development of this project is being undertaken in conjunction with the Northern Ireland Executive's Urban</p>

	<p>Villages Programme. It will also link with the Council's Superconnected Communities programme as well as the technology programmes proposed as part of the "Other Voices" event in Belfast at the end of October 2017 and places will be set aside in the Other Voices programme for participants from the Makematic initiative.</p>
3.23	<p><u>Legal Innovation Centre: support for expansion</u></p> <p>The Financial, Business and Professional Services sectors are identified as key growth areas within the Belfast economy. One emerging niche area within this wider sector is that of legal technology. This growth is being driven by technological advancement, globalisation and regulatory reform in the industry.</p>
3.24	<p>Belfast is already home to a number of global legal practices. Many are moving from providing back and mid-office facilities towards establishing Centres of Excellence that can service their international operations. This expertise is being developed in conjunction with local education providers – either through joint skills development initiatives or through new areas of research and development.</p>
3.25	<p>In response to growing demand, Ulster University established a Legal Innovation Centre to bring together research into the application, development and impact of new technology as well as opportunities for training current and future lawyers in legal technology skills. This is a unique collaboration between the Computer Science and Legal disciplines at the University. It was established in February 2017 and has been funded through private sector investment (Allen & Overy and Baker McKenzie) along with Invest NI. Since its launch, the Centre has gained local and international recognition, and is already working with both foreign direct investors and indigenous legal companies.</p>
3.26	<p>The private sector funding has supported researchers to work on a number of targeted projects. However this means that there is limited scope for future business development to support the future growth of the Centre. Following engagement with the Centre Management Team, an opportunity has been identified for the Council to invest in the expansion of the Centre.</p>
3.27	<p>This investment would align with the Council's aspirations to support the development of key growth sectors through the expansion of indigenous companies as well as attracting new foreign direct investors. The Committee recently agreed that this should be one of the priority areas of focus within the Committee Plan. This would involve an investment of</p>

£50,000 to support a research resource for a period of 18 months. The Council investment would be matched by resources from other private and public sector partners. The deliverables from this investment will include an increase in the number of local and international clients; enhanced international profile of the Centre and opportunity for the City to develop a niche area of expertise (this is currently the only Centre of its type in the UK) in a sector that demonstrates significant growth potential in highly-skilled and well-paid jobs. There will also be opportunities for collaboration with local ICT and legal companies, allowing them to diversify and develop niche skills and products which may be able to be exported to other markets. This is a similar model to the Centre for Secure Information Technologies (CSIT) which is based at Titanic Quarter and Members recently received a presentation on the work of this organisation.

3.28 Members will be aware that FDI investors have a “wish list” of elements that they look for in a potential investment location. These include talent as well as research and innovation capability as well as issue such as quality of life and accessibility. 70% of research and development undertaken in the local universities is of world-class standard. In some disciplines (e.g. cyber), this figure stands at 90%. The Council support will help towards the development of a Centre for Excellence which will help to attract more investment into Belfast.

3.29 Equality and good relations implications:
The investment to support economic inactivity will focus on under-represented groups as well as disadvantaged groups. Efforts will be made to ensure that programme delivery takes place all across the City and that it is accessible to all. Economic Development Officers and delivery partners will work closely with the Council’s Equality and Good Relations Officers to ensure compliance.

3.30 Financial and resources implications:
The financial implications of each of the elements above is as follows:

3.31 European Social Fund
It is proposed that up to £250,000 is set aside from within the departmental budgets for 2018/2019 to support the priority projects, subject to agreement of the budget estimates for this coming year. Please note the levels of funding proposed are in line with current departmental funding levels. It is also proposed that in-principle support of £250,000 match funding is set aside for a further three years (2019/2020; 2020/2021 and 2021/2022),

subject to satisfactory performance and subject to budget availability in each of those financial years.

Employment Academies Support

It is proposed that a maximum of £250,000 is set aside for the Employment Academies for the financial year 2018/2019. Please note the levels of funding proposed are in line with current departmental funding levels. This will be an in-principle allocation, subject to partner engagement and the ability to deliver employment opportunities in each of the sectors. It will also be subject to agreement on the budget estimates for the coming year, as part of the rates process.

Digital Skills

Budget allocation for digital skills has already been approved by City Growth & Regeneration Committee. The £60,000 budget allocated for this activity is available within the existing Departmental 2017/18 budgets.

Legal Innovation Centre

A budget of £50,000 is required to support the expansion of Ulster University's Legal Innovation Centre. The financial resources have been set aside as part of the programme to support key growth sectors in the 2017/2018 Departmental budget.

4.0	Appendices – Documents Attached
	None